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LISTING STATEMENT No. 2177

LISTED OCTOBER 21st, 1964
5,000,000 shares of \$1.00 par value
Ticker abbreviation "NNX"
Dial ticker number 1709
Post section 9.4

THE TORONTO STOCK EXCHANGE

LISTING STATEMENT

NORTHERN EXPLORATION LIMITED
(No Personal Liability)

Incorporated under the provisions of the Quebec Mining
Companies Act by Letters Patent dated May 25, 1957.

1. Address of the company's Head Office and of any other offices:

Head Office—62 Main Street West, Magog, Quebec.

2. Officers of the company:

OFFICE HELD	NAME	ADDRESS	OCCUPATION
President	Georges Girard	260 Merry South, Magog, Que.	Insurance Broker
Vice-President	Joseph Wilfrid Lafond	9815 Grande Allee, Montreal, Que.	Executive
Secretary- Treasurer	Dr. Alan Scott	551 Merry South, Magog, Que.	Physician

3. Directors of the Company:

NAME	ADDRESS	OCCUPATION
Georges Girard	260 Merry South, Magog, Que.	Insurance Broker
Joseph Wilfrid Lafond	9815 Grande Allee, Montreal, Que.	Executive
Dr. Alan Scott	551 Merry South, Magog, Que.	Physician
Julien Levasseur	333 Sommerville St., Montreal, Que.	Executive
Malcolm Wallace	Farrant Avenue, Newport, Vt.	Amusement Agency Operator
J. A. Roland Faucher	9181 Clarke St., Montreal, Que.	Consulting Engineer
Peter Price	31 Rosedale Road, Toronto, Ont.	Chief Geologist Noranda Mines Ltd., Toronto, Ont.

4. Names and addresses of all transfer agents:

Eastern & Chartered Trust Company—132, St. James St. West, Montreal, Que.
and 1901 Yonge Street, Toronto, Ontario.

5. Particulars of any fee charged upon transfer other than customary government taxes:

A fee of 25¢ is charged on each share certificate issued.

6. Names and addresses of all registrars:

Eastern & Chartered Trust Company, 132 St. James St. West, Montreal, Que.
and 1901 Yonge Street, Toronto, Ontario.

7. Amount of authorized capital: \$5,000,000.00

8. Number of shares and par value 5,000,000 shares of par value of \$1.00 each.

9. Full details of all shares issued in payment for properties or for any other assets other than cash:

Date	Number of Shares	Brief description of the properties or other assets and the aggregate consideration therefor, expressed in cash, shares, etc.
October 1957	900,000	These shares were issued to Mr. Joseph Edward Charlebois, 5505 Dudemaine St., Montreal, Que. in consideration of the transfer of eight (8) mining claims more particularly described as miner's certificates Nos. C.119822 to 25 incl. claim Nos. A.235456 to 63 incl. and situated in the Southwest quadrant of Palmarolle Twp., Range 1, Que. A total of \$1,064.66 was expended on exploration and development of these claims prior to their being abandoned by the company due to curtailment of work in the area.
Total	900,000	

10. Full details of all shares sold for cash.

Date	Number of Shares	Price per Share	Amount Realized by Company
June 20/57	30	\$ 1.00	\$ 30.00
Sept. 9/57	(286,000) 200,000	.10	20,000.00
Sept. 30/60	86,000	.10	8,600.00
Nov. /61	300,000	.25	75,000.00
Dec. 31/62	100,000	.40	40,000.00
Jan. 18/63	100,000	.40	40,000.00
Aug. 26/63	100,000	.50	50,000.00
Sept. /63	100,000	.60	60,000.00
	100,000	.70	70,000.00
	100,000	.80	80,000.00
	200,000	1.05	210,000.00
Sept. 25/64	200,000	1.30	260,000.00
	1,586,030		
Apr. 20/64	400,000	1.50	600,000.00
Total	1,986,030		\$ 1,513,630.00

11. Total number of shares issued:

2,886,030 shares

12. Number of shares now in treasury or otherwise unissued.

2,113,970 shares

13. Particulars of any issued shares held in trust for the Company or donated for treasury purposes.

Nil

14. Date of last annual meeting.

March 24, 1964 held at Queen Elizabeth Hotel, Montreal, Que.

15. Date of last report to shareholders.

Annual report for fiscal year ended September 30, 1964.

16. Details of any treasury shares (or shares issued subject to payment or shares held for the benefit of the treasury) now under option or the subject of any underwriting or sales agreement. If none, this to be stated.

By virtue of a resolution of the directors of the company dated the 14th day of March 1964, the said directors subject to ratification by the shareholders of the company, which ratification was secured, have granted to Georges Girard, President, the sole and exclusive option for a period of one year from that date to purchase 25,000 free shares of the capital stock of the company at the price of \$1.50 per share.

17. Names and addresses of persons having any interest, direct or indirect, in underwritten or optioned shares or other securities or assignments, present or proposed.	Georges Girard, President of the Company, 260 Merry South, Magog, Que.
18. Details of any payments in cash or securities of the Company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	None.
19. Details of any shares pooled, deposited in escrow, non-transferable or held under any voting trust agreement, syndicate agreement or control.	810,000 shares part of the stock issued in payment for properties as set out in item 9 are held in escrow by the Chartered Trust Company at Toronto subject to release only with the written consent of the Board of Directors and the Quebec Securities Commission, and subject to transfer, hypothecation and/or alienation within the escrow on the written consent of the Quebec Securities Commission. Subject to acceptance by the Toronto Stock Exchange of the company's application to list its shares, the written consent of the Toronto Stock Exchange will also be required for the release or the transfer, hypothecation and/or alienation within the escrow, of the said 810,000 shares.
20. Names and addresses of owners of more than a 5% interest in pooled or escrowed shares and their shareholdings. (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	J. Wilfrid Lafond, 9815 Grande Allee, Montreal, Que. 226,666 shares Georges E. Girard, 54 Main St. West, Magog, Que. 540,834 shares
21. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	Doherty Roadhouse and McCuaig Bros., 276 St. James Street West, Montreal, Que. 295,450 shares L. J. Forget & Co. Ltd, 507 Place d'Armes, Montreal, Que. 353,000 shares Georges Girard, 40 Main Street West, Magog, Que. 572,325 shares (of which 540,834 shares are escrowed.) Kippen & Company Ltd, 1155 Dorchester Blvd., W., Montreal, Que. 356,450 shares J. Wilfrid Lafond, 9815 Grande Allee, Montreal, Que. 226,672 shares (of which 226,666 shares are escrowed.) The shares registered in the names of Georges Girard and J. Wilfrid Lafond are beneficially held. The beneficial owners of the shares registered in the hands of Doherty Roadhouse & McCuaig Bros., L. J. Forget Co. Ltd, and Kippen & Company Ltd, are not known.
22. Names and addresses of persons whose shareholding are large enough to materially affect control of the Company.	The present officers and directors of the company whose names and addresses are listed in items 2 and 3 hereof may be in a position to materially affect control of the company by reason of shares owned beneficially by them and by solicitation of proxies.
23. Details of any registration with or approval or authority for sale granted by or any filing with a Securities Commission or corresponding Government body.	A prospectus of the company dated October 1st 1963 and an amendment thereto dated October 25, 1963 have been filed under the terms of the Quebec Securities Act; and amendments dated January 9th 1963 and March 24th 1964.
24. Has any application for registration with or approval or authority for sale by or any filing with a Securities Commission or corresponding Government body ever been refused, cancelled, suspended or revoked? If so, give particulars.	Registration under the Quebec Securities Act was suspended in February, 1962, and reinstated December 7th, 1962.

25. Particulars of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	None.																
26. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	<table><thead><tr><th></th><th>No. of Shares</th><th>Cost</th><th>Aug. 31 1964 Market Value</th></tr></thead><tbody><tr><td>American Chibougamau Mines Limited</td><td>50,000</td><td>\$ 11,000</td><td>.15</td></tr><tr><td>Kelly Desmond Mining Corporation (of which 347,500 are escrowed)</td><td>677,500</td><td>50,000</td><td>.36½</td></tr><tr><td>Gaspésie Mining Company Ltd. (of which 20,000 shares are in escrow)</td><td>170,000</td><td>25,250</td><td>.25</td></tr></tbody></table>		No. of Shares	Cost	Aug. 31 1964 Market Value	American Chibougamau Mines Limited	50,000	\$ 11,000	.15	Kelly Desmond Mining Corporation (of which 347,500 are escrowed)	677,500	50,000	.36½	Gaspésie Mining Company Ltd. (of which 20,000 shares are in escrow)	170,000	25,250	.25
	No. of Shares	Cost	Aug. 31 1964 Market Value														
American Chibougamau Mines Limited	50,000	\$ 11,000	.15														
Kelly Desmond Mining Corporation (of which 347,500 are escrowed)	677,500	50,000	.36½														
Gaspésie Mining Company Ltd. (of which 20,000 shares are in escrow)	170,000	25,250	.25														
27. Enumerate fully each of the following property classifications, giving claim or property numbers, approximate acreage, townships and mining camp or oil field:	(i) (a) The Company is the beneficial owner of two properties situated in the Township of Gratton, County of Renfrew, Province of Ontario, the one being composed of the South Half of Lot 17, Range X and the other being the North half of Lot 17, Range IX. (b) The Company is the owner of seven contiguous mining claims situated in the S.W. Quadrant of Joutel Township, Province of Quebec, more particularly described as Miner's Certificate 184566, claims 1 to 5 inclusive and as Miner's Certificate 180795, claims 1 and 2. (c) The company holds a 60% interest in the following mining claims situated in Poirier Township, Abitibi, Que., held under the following development licences: C-167733, claims 1 and 2; C-167734, claims 1 and 2; C-167735, claims 1 and 2; C-167736, claims 1 and 2 and C-167737, claims 1 and 2. (d) The company is the owner of 40 claims of approximately 40 acres each, situated in Lesseps Township forming a contiguous group of claims in the Gaspesia National Park. These claims are held under the following mining certificates—208410 to 208413 inclusive; 208940, 208941, 208498 and 208499. (e) The company has acquired jointly on a 50-50 basis three separate groups of claims in the Timmins area, as follows—Jamieson Township, 3 claims of approximately 40 acres each situated in lot 7, Concession II recorded under Claims P 62889 to P 62891 inclusive and seven claims of 40 acres each, located in lots 3 and 4, Concession I, recorded as P 62912 to P 62918 inclusive and in Godfrey Township, five claims of approximately 40 acres each in lots 1 and 2, Concession II, recorded as P 62894 to P 62898 inclusive. (ii) (a) The South half of Lot 17, Range X and the North half Lot 17, Range IX, were acquired by the officers and directors of the company as hereinafter set out and transferred to it at no charge to the company: J. Edward Charlebois, 5505 Dudemaine St., Montreal; J. P. Jewell, 38 Wheeler Avenue, Toronto, Ont.; and Clarence B. Charlebois, 890 Marlboro Drive, Mount Royal, Que. donated a total of 125,000 free shares of the capital stock of the company to the company which shares were subsequently sold netting the company \$12,500.00. Of this amount \$3,500.00 was utilized to pay Agnes Mary Larmond, Box 328, Eganville, Ontario, for the transfer of the properties referred to in 27 (i) (a) hereof. The balance of \$9,000.00 was added to contributed surplus. The balance of the contributed surplus in the amount of \$3,886.25 arose through the release of indebtedness in that amount owing to J. E. Charlebois. (b) The company acquired the claims in Joutel Township by staking at a cost of \$3,000.00 which amount has been paid. (c) The company acquired the 60% interest in the claims referred to in Paragraph 27 (i) (c) of this statement by exercising the option granted to it by Kelly-Desmond Mining Corporation Ltd. on the 25th day of February 1963; the option provided that if this company expended on mining exploration of the said claims the sum of Ten Thousand (\$10,000.00) dollars within one year from that date that it would acquire a 60% interest in the said claims; that as this company had expended in excess of \$10,000.00 on the said mining claims prior to the 10th day of July 1963, the company on that date acquired its 60% therein; all expenditures on the said property in excess of the said \$10,000.00, are to be chargeable 60% against this company and 40% against Kelly-Desmond Mining Corporation Ltd. (d) The claims described in paragraph 27 (i) (d) were staked by the company at a cost of \$3,270.67. (e) The mining claims described in paragraph 27 (i) (e) were purchased by the company jointly with Kelly-Desmond Mining Corporation Ltd. for the sum of Fifteen Thousand (\$15,000.00) dollars cash; \$7,500.00 of which was paid by this corporation and \$7,500.00 by Kelly-Desmond Mining Corporation.																
(a) Properties owned where titles vested in Company.																	
(b) Properties leased.	Nil																
(c) Properties otherwise held. Give particulars of title held by the Company in each instance (e.g. patented, unpatented, Crown granted, held under mining license, perpetual lease, etc.)	Nil																

28. Full particulars of any royalties or other charges payable upon production from each individual property.	Nil
29. Names and addresses of vendors of any property or other assets intended to be purchased by the Company showing the consideration to be paid.	Nil
30. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	Nil
31. Are any lawsuits pending or in process against the Company or any of its properties, or are there any other circumstances which might affect the Company's position or title adversely? If so explain fully.	No
32. Describe plant and equipment on property or properties.	Refer to attached report dated Sept. 23, 1964 by H. J. Bergmann, P.Eng.
33. Describe all development accomplished and planned.	Refer to attached report dated Sept. 23, 1964 by H. J. Bergmann, P.Eng.
34. Date and author of mining or petroleum engineer's or geologist's report filed with this application and available for inspection on request.	Report dated Sept. 23rd 1964 by H. J. Bergmann, P.Eng.
35. Full particulars of production to date.	Nil
36. Have any dividends been paid? If so, give date, per share rate, and amount paid in dollars on each distribution.	No.
37. Name and address of the solicitor or attorney whose certificate that the applicant is a valid and subsisting company and that the shares which have been allotted and issued were legally created and are fully paid and non-assessable has been filed with the Exchange.	Day, Wilson, Campbell & Martin, Barristers and Solicitors, Suite 600, 250 University Ave., Toronto Ontario.

38. (a) Have any shares of the Company ever been listed on any other stock exchange? If so, give particulars.	Yes The company's shares were called for trading on the Canadian Stock Exchange on August 23, 1963.
(b) Is any application for listing the shares of the Company on any other stock exchange now pending or contemplated? If so give particulars.	No
(c) Has any application for listing of any shares of the Company ever been refused or deferred by any stock exchange? If so, give particulars.	No
39. Particulars of the principal business in which each officer and director has been engaged during the past five years, giving the length of time, position held and name of employing company or firm.	<i>GIRARD, Georges</i>—Insurance Broker, 40 Main Avenue, Magog, Que. <i>LAFOND, J. Wilfrid</i>—President and owner of Les Sables Shawinigan Sand Inc. and Les Sables St. Maurice Inc., Joliette, Que. <i>SCOTT, Alan</i>—Physician. For the past three years Dr. Alan Scott has been practising his profession at Laurier Street, Magog, Que. <i>LEVASSEUR, Julien</i>—1961 to date. President of Julien Levasseur Inc., Release Estate, 635 Henri Bourassa St. East, Montreal. <i>WALLACE, Malcolm</i>—Amusement Agency Operator. For the past five years, has been operating his business at Farrant Ave., Newport, Vermont. <i>FAUCHER, J. A. Roland</i>—1960 to date. Plant designer and mill superintendent for St. Lawrence Columbian & Metals Corp. Oka, Que. <i>PRICE, Peter</i>—Chief Geologist, Noranda Mines Limited, Toronto, Ontario.
40. The dates of and parties to and the general nature of every material contract entered into by the Company which is still in effect and is not disclosed in the foregoing. Except for management contracts, do not include particulars of any contract entered into in the ordinary course of business carried on or intended to be carried on by the Company.	By agreement dated September 12, 1961, as amended by agreement dated October 4, 1961, the company acquired 677,500 shares of the capital stock of Kelly-Desmond Mining Corporation Limited, Suite 1909, 8 King St. East, Toronto, Ontario (hereinafter referred to as "Kelly-Desmond"), from Ivan Chester Christopher, P.Eng., 52 Sunnyside Crescent, Toronto, Ont., Gerald Phelan Thoday, Haileybury, Ontario, and Pioneer Contractors Limited, 8 King St. East, Toronto, Ont. for the sum of \$50,000.00 which amount has been paid. 330,000 of the said shares are free and the balance of 347,500 are held in escrow. These shares constitute the largest block of shares held and therefore in the opinion of the directors of the company, represent effective control of Kelly-Desmond. Kelly-Desmond is a company listed on the Canadian Stock Exchange, and holds a 40% interest in the company's mining claims described in paragraph 27 (i) (c) of this Statement and is financing the development of this property to the extent of 40% of the cost hereof.
41. Any other material facts not disclosed in the foregoing.	There are no other material facts relating to the company which are not disclosed in the foregoing.

STATEMENT SHOWING DISTRIBUTION OF ISSUED CAPITAL

as of September 15th, 1964

FREE STOCK

	Shares	Shares
(a) Distributed and in the hands of the public (exclusive of the promoters, officers and directors of the Company and their agents or trustees).	1,686,561	
(b) Distributed and in the hands of the promoters, officers and directors of the Company and their agents or trustees.	389,469	
Total free stock		

ESCROWED OR POOLED STOCK

(c) Held in escrow or pool as set out in Item 19 of this application.	810,000
Total issued capital	

RECORD OF SHAREHOLDERS

Number of registered shareholders holding shares in class (a) above	273
Number of registered shareholders holding shares in class (b) above	7
Number of registered shareholders holding shares in class (c) above	5

STATEMENT SHOWING NUMBER OF SHAREHOLDERS

as of September 15th, 1964

Number						Shares
47	Holders of	1	—	100	shares	3,963
144	" "	101	—	1000	"	84,150
29	" "	1001	—	2000	"	44,600
10	" "	2001	—	3000	"	30,400
13	" "	3001	—	4000	"	47,500
7	" "	4001	—	5000	"	35,600
35	" "	5001	—	up	"	2,639,817
285 Stockholders						Total Shares 2,886,030

Dated at Magog, the 30th day of September, 1964



NORTHERN EXPLORATION LIMITED

"G. GIRARD",
President

"J. A. SCOTT", M.D.,
Secretary-Treasurer

FINANCIAL STATEMENTS

NORTHERN EXPLORATION LTD.

(No Personal Liability)

BALANCE SHEET

As at August 31, 1964.

ASSETS

CURRENT ASSETS:

Cash in bank	757,366.20	
Accounts receivable	232,565.86	
Guaranty deposit - Drilling contractors	4,000.00	
Petty cash	<u>700.00</u>	994,632.06

INVESTMENTS - AT COST:

50,000 shares of American Chibougamau Mines Limited (No Personal Liability)	11,000.00	
677,500 shares of Kelly-Desmond Mining Corporation Limited (of which 347,500 shares are in escrow)	50,000.00	
170,000 shares of Gaspesie Mining Company Limited (of which 20,000 shares are in escrow)	<u>25,250.00</u>	86,250.00

MINING CLAIMS ACQUIRED FOR CASH:

(held under miners' certificates and mining licences)		13,770.67
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FIXED ASSETS - AT COST:

Equipment		380.48
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DEFERRED EXPENSES:

Development and exploration expenses (Schedule I)	419,956.20	
Administration expenses (Schedule II)	33,554.52	
Organisation expenses	<u>270.27</u>	453,780.99
		<u>1,548,814.20</u>

LIABILITIES

CURRENT LIABILITIES:

Accounts payable	35,336.30	
Income tax deducted at source	<u>285.10</u>	35,621.40

SHAREHOLDERS' EQUITY:

Capital-Stock

Authorized:

5,000,000 shares of a par value of \$1.00 each	<u>5,000,000.00</u>	
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Issued for cash:

1,986,030 shares (of which 400,000 shares have been issued since September 30, 1963)	1,986,030.00	
Less Discount allowed	<u>742,400.00</u>	1,243,630.00

Issued for acquisition of mining claims which have since been abandoned:

900,000 shares (810,000 shares held in escrow)	900,000.00	
Less: Discount allowed	<u>855,000.00</u>	45,000.00

Premium on treasury stock sold	270,000.00	
	<u>1,558,630.00</u>	

Deduct: Deficit as per statement	<u>45,437.20</u>	1,513,192.80
		<u>1,548,814.20</u>

Signed on behalf of the Board

"G. GIRARD"

"J. A. SCOTT", M.D.
Directors.

NORTHERN EXPLORATION LTD.
DEVELOPMENT AND EXPLORATION EXPENSES

From October 1, 1963 to August 31, 1964.

	Balance October 1, 1963	Additions to August 31, 1964	Total August 31, 1964
Engineer's fees and expenses	184.38		184.38
Geologist's fees	2,000.00		2,000.00
Maps and plans	31.21		31.21
Mining licences, taxes	368.50	98.05	466.55
Miscellaneous	200.00		200.00
Surveying	2,210.00		2,210.00
Transportation-air	857.80		857.80
Travelling	3,972.15		3,972.15
Discovery Lake expenses	3,042.00	(3,042.00)	-0- (1)
Lesseps Township - expenses		1,208.73	1,208.73
Poirier Township - expenses	19,920.56	388,904.82	408,825.38(2)
	<u>32,786.60</u>	<u>387,169.60</u>	<u>419,956.20</u>

(1) Discovery Lake claims were abandoned since October 1, 1963 and charged to deficit together with expenses thereon.

(2) Poirier Township property as per agreement with Kelly-Desmond Mining Corporation Ltd.

Total expenses to date	674,708.96
Less: 40% of \$664,708.96	<u>265,883.58</u>
	<u>408,825.38</u>

NORTHERN EXPLORATION LTD.

ADMINISTRATION EXPENSES

From October 1, 1963 to August 31, 1964.

	Balance October 1, 1963	Additions to August 31, 1964	Total August 31, 1964
Shareholders' information		498.07	498.07
Accounting and audit fees	2,675.00	1,360.00	4,035.00
Auto expenses and travelling	1,593.10	3,677.84	5,270.94
Bank charges	70.16	.15	70.31
Gifts and donations	150.00		150.00
Insurance	50.00		50.00
Legal fees	8,449.43	307.50	8,756.93
Office expenses	434.30	223.53	657.83
Office salaries	3,200.00		3,200.00
Prospectus	1,536.21	180.00	1,716.21
Publicity	765.60	1,315.30	2,080.90
Rent	1,070.00	490.00	1,560.00
Stationery and printing	425.75	1,004.30	1,430.05
Taxes	430.82	60.00	490.82
Telephone and telegrams	1,426.67	252.38	1,679.05
Transfer agent and registrar's fees	2,438.73	985.31	3,424.04
Management salaries	14,100.00		14,100.00
Listing of stock	2,000.00	407.48	2,407.48
	<u>40,815.77</u>	<u>10,761.86</u>	<u>51,577.63</u>
Less: interest income	<u>867.65</u>	<u>17,155.46</u>	<u>18,023.11</u>
	<u>39,948.12</u>	<u>(6,393.60)</u>	<u>33,554.52</u>

NORTHERN EXPLORATION LTD.
(NO PERSONAL LIABILITY)
STATEMENT OF DEFICIT
FROM INCEPTION (JUNE 20, 1957) TO AUGUST 31, 1964.

Cost of mining claims abandoned		45,000.00
Exploration expenses thereon		5,301.59
Payments on option to acquire mining claims — option not exercised		<u>3,200.00</u>
		53,501.59
Less: Contributed surplus		<u>14,834.50</u>
BALANCE, SEPTEMBER 30, 1963		38,667.09
ADDITIONS DURING YEAR		
Cost of mining claims in Discovery Lake and Laussedat Twps. abandoned	3,728.11	
Exploration expenses thereon	<u>3,042.00</u>	<u>6,770.11</u>
BALANCE, AUGUST 31, 1964		<u>45,437.20</u>

NORTHERN EXPLORATION LTD.
NOTE TO FINANCIAL STATEMENTS
As at August 31, 1964.

Note 1 — By agreement dated February 25, 1963, Kelly-Desmond Mining Corporation Limited granted to Northern Exploration Ltd. for a period of one year, an option to acquire a 60% interest in its ten mining claims covered by lots 29 to 33 inclusive, Range X, and lots 24 to 28 inclusive, Range X, Poirier Township, Province of Quebec, held under Licence Nos. C-167733 to C-167737 inclusive, claims 1 and 2 each, provided.

That to acquire the said 60% interest, Northern Exploration Ltd. shall be obligated to spend on mining work and exploration on the said mining claims the sum of Ten Thousand (\$10,000.00) dollars, after which all expenses shall be paid according to the interest of each company in the property. On July 10, 1963 Northern Exploration Ltd. having complied with the above mentioned conditions of the agreement decided to exercise its option on the said property and had recorded its 60% interest therein.

Note 2 — Mr. Georges Girard has been granted an option on 25,000 shares of the Company at \$1.50 per share, to be taken down and paid for within a period of one year from the 14th day of March 1964.

AUDITORS' REPORT

To the Shareholders of
Northern Exploration Ltd.
(No Personal Liability)

We have examined the balance sheet of Northern Exploration Ltd. (No Personal Liability) as at August 31, 1964, the statement of deficit and the schedules of development and exploration expenses and of administration expenses.

Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet, the statement of deficit and the schedules of development and exploration expenses and of administration expenses present fairly the financial position of the company as at August 31, 1964 in accordance with generally accepted accounting principles.

"MAHEU, NOEL & CIE"
Chartered Accountants.

SHERBROOKE,
September 18, 1964.

ENGINEER'S REPORT
REPORT
ON THE PROPERTY OF
NORTHERN EXPLORATION LTD.
LESSEPS TOWNSHIP,
GASPE AREA, QUE.

(All plans and maps referred to herein are on file with The Toronto Stock Exchange.)

INTRODUCTION

Northern Exploration Ltd. has acquired a group of 40 claims in the Gaspesia National Park. This followed the opening of the Park for staking in November, 1963. The property acquired is situated immediately south of a property now held by Gaspesie Mining Company on which there are known chromite showings. The ultra-basic rocks which are the host for the chromite mineralization are known to extend on to the property of Northern Exploration Ltd. and some chromite float has been reported on the property.

The following report describes the property acquired by Northern Exploration Ltd. with recommendations for the exploration of the property. The writer has not visited the property at this time and this report is based on data available on previous work and the writer's personal knowledge of the Gaspé area.

PROPERTY AND LOCATION

The property consists of 40 claims of approximately 40 acres each situated in Lesseps Township. They form a contiguous group of claims in the Gaspesia National Park.

The property is readily accessible as the road from St. Anne-des-Monts through the Park passes along the east side of the property. The distance from St. Anne-des-Monts to the property is approximately 25 miles.

All claims have been registered with the Department of Natural Resources under the following mining certificates.

208410 to 208413 inclusive
208490 to 208491
208498 to 208499

HISTORY

The property is situated on a portion of Mount Albert and it was here that the earliest geological work was carried out by the Geological Survey of Canada in 1844. The presence of chromite in the area has been known since 1857. However, since the area is within the Gaspesia National Park it has never been open for prospecting or staking.

Due to wartime exigencies permission was granted for prospecting in the Park area in 1942. As a result, Chromium Mining and Smelting Corporation carried out exploration for chromite in the Mount Albert locality. This work was carried out in the summer of 1942 and 1943 and consisted of prospecting and shallow drilling. Further work was recommended at that time but to the writer's knowledge there has been no exploration carried out since that date.

GEOLOGY

The property of Northern Exploration Ltd. is situated along the southeast slope of Mount Albert, immediately south of the Gaspesie Mining Company's ground. This is largely within an oval shaped mass of serpentinized peridotite about six miles long in an east-west direction and about four miles in a north-south direction. It is shown on Geological Map No. 1000 of the Gaspé Peninsula published by the Department of Natural Resources of Quebec. The southern portion of the property may possibly be underlain by sedimentary schists of Pre-Ordovician age.

The serpentine mass intrudes the surrounding rocks which include sedimentary schists, sandstones and arkose. The chromite-bearing area is confined to the serpentine mass and it would appear that most of the property of Northern Exploration Ltd. is underlain by the favorable serpentinized rocks.

Chromite has been observed in floats and in place within the Mount Albert intrusive and it shows a very widespread distribution throughout the serpentinized peridotite. The occurrences found to date are as pods and lenses and they have been found at various horizons along the mountainside.

DEVELOPMENT

As mentioned earlier, the only work carried out in this area was during 1942 and 1943 when a program of prospecting followed by shallow drilling was carried out. The prospecting located a number of chromite occurrences in places as well as widespread chromite "float". Shallow diamond drilling was used to investigate the occurrences and in this way a number of lenses of chromite were located but none of these proved to be sufficiently large to be of economic importance. However, they all showed a good grade of chromium ore ranging up to 50% Cr_2O_3 with the chromium iron ratio ranging from 2.5:1 to as high as 4:1.

From data available on this early work, it appears that chromite float were located on what is now the property of Northern Exploration Ltd. Surface samples reported from the occurrences gave values ranging from 42% to 51% Cr_2O_3 and the average chromium to iron ratio was 2.8:1. This is metallurgical grade chromite ore and would bring a market price of approximately \$36.00 per ton.

A short distance to the south of the Northern Exploration property some exploration has been carried out by Newmont Mining Company and Sullico Mines for copper. Exploration is continuing and this area is regarded as being favorable for copper mineralization.

CONCLUSIONS AND RECOMMENDATIONS

The property of Northern Exploration Ltd. is largely underlain by serpentized peridotite which is known to be chromite-bearing. Previous exploration in the area has indicated that the chromite is quite widespread in its distribution and chromite float has been reported on the property of Northern Exploration Ltd.

Sampling carried out in the area in previous exploration and substantiated by recent grab samples on the Gaspesia property indicates that the chromite is of metallurgical grade both in Cr_2O_3 content and the chromium-iron ratio. It thus seems apparent that provided a reasonable large tonnage can be found, the material is of sufficient grade and quality to compete with imported chrome ore. On this basis, a full scale program of exploration is warranted on the property of Northern Exploration Ltd. The possibilities of copper mineralization in the southern portion of the property cannot be overlooked.

Rock outcrops are relatively scarce and previous exploration was confined entirely to outcrops of chromite or areas where chromite "float" were found. This would be less than 10% of the available area and thus it is obvious that some other method of exploration is necessary. Gravity and magnetic surveys have been used successfully for locating chromite masses in Turkey even over rugged terrain. Gravity surveys have also been used in prospecting for chromite in Cuba. Gravity and magnetic surveys were used over some known chromite occurrences in Newfoundland which are quite similar to those found in the Mount Albert area. This work was carried out on a test basis under the writer's supervision and showed that these methods could be used to outline the occurrences. It was, however, found that the terrain had to be fairly favorable for the successful use of gravity surveys unless the body was quite large.

It is therefore recommended that test surveys using both gravity and magnetic methods be carried out over some of the known chromite occurrences to determine if one or both of these methods would be applicable for prospecting for chromite in the area.

It is suggested here that such a program could be carried out jointly with Gaspésie Mining Company. Following these test surveys and some preliminary prospecting, a full scale program of exploration could be laid out for the property.

Respectfully submitted,

"H. J. Bergmann", P.Eng.

Montreal, Que.
March 20, 1964.

CERTIFICATE OF QUALIFICATION

I, H. J. Bergmann, of the City of Montreal, in the Province of Quebec, hereby certify:

1. That I am a Consulting Mining Engineer and reside at 3518 Vendome Ave., Montreal, Que.
2. That I am a registered Professional Engineer of the Provinces of Ontario and Quebec.
3. That I am a graduate of the University of Alberta and hold a Bachelor of Science degree in Mining Engineering.
4. That I have been practising my profession as a Mining Engineer since 1938 and during the past eleven years as a Consulting Engineer.
5. That I have no interest, either direct or indirect, in the property or securities of Northern Exploration Ltd. other than 2,000 shares of the Company's stock which I have purchased on the market.
6. That the accompanying report is based on data available on the area, together with the writer's personal knowledge of the area.
7. No exploration work has been carried out on the property covered in the report dated March 20, 1964.

Dated at Montreal this 22nd
day of September, 1964.

"H. J. Bergmann", P.Eng.

REPORT ON THE PROPERTIES OF NORTHERN EXPLORATION LTD. TIMMINS AREA, ONT.

INTRODUCTION

Northern Exploration Ltd. has acquired jointly on a 50-50 basis three separate groups of claims in the Timmins area of Ontario. The recent major mineral discovery made by Texas Gulf Sulphur Company in this area sparked off a large scale staking rush along a large belt of favorable rocks.

The area is largely covered with muskeg and outcrops are almost negligible. As a result, this report is based on information obtained from published geological maps and reports on the area.

PROPERTIES AND LOCATION

The holdings include two properties in Jamieson Township and one in Godfrey Township, Porcupine Mining Division, Province of Ontario.

In Jamieson Township, one property consists of three claims of approximately 40 acres each, situated in lot 7, Concession II. They are recorded with the Department of Mines as claims P 62889 to P 62891 inclusive.

The second property in Jamieson Township consists of seven claims of 40 acres each, located in lots 3 and 4, Concession I. These claims are recorded as P 62912 to P 62918 inclusive.

In Godfrey Township the property consists of five claims of approximately 40 acres each in lots 1 and 2, Concession II. These claims are recorded as P 62894 to P 62898 inclusive.

The properties in Jamieson Township are not accessible by road during the summer but the Mattagami River passes through the larger of the two groups. The Godfrey Township property is readily accessible by road as the Kamiskotia-Timmins road passes through the property. It is approximately six miles west of Timmins.

GEOLOGY

The area generally is covered with a mantle of overburden and rock outcrops are extremely limited. There are numerous outcrops to the south along the Porcupine fault, situated about ten miles to the south, but north of this area geological information is scarce.

The area of the Destor-Porcupine fault along which the producing gold mines have been found has been mapped in detail. Map No. 2046, published by the Ontario Department of Mines shows the geology of this area together with the townships to the north where the properties of Northern Exploration Ltd. are located.

The underlying rocks in the area are all of Pre-cambrian age and consist of volcanic and sedimentary rocks which have been intruded by both basic and acid intrusive rocks. The volcanic rocks range from acid to basic and include rhyolite, andesite, basalt and some undifferentiated types. The sedimentary rocks consist mainly of conglomerate, greywacke, as well as schists and gneisses derived in all probability from the sedimentary rocks.

The basic intrusive rocks are fairly common in the area and include gabbros and diorites and there are also intrusions of peridotite. The acid intrusives are mainly granite and associated rocks and these do not appear to be particularly abundant in the vicinity of the Northern Exploration properties.

The mineral discovery of Texas Gulf Sulphur is in the volcanic rocks and the deposit consists of both disseminated and massive sulphides and some graphite is also present. The ore minerals consist of chalcopyrite and sphalerite and values in silver are surprisingly high associated with the copper and zinc.

From geological map No. 2046 it would appear that both of the properties of Northern Exploration Ltd. in Jamieson Township would appear to be underlain by rhyolite. A rhyolite-andesite contact trending northeast would appear to lie just to the south of the larger property. This could produce a favorable geological environment for sulphide mineralization.

The Godfrey Township property appears to be largely underlain by sedimentary rocks with the possibility of a gabbro intrusive underlying part of the western portion of the property.

DEVELOPMENT

Most of the development and exploration work carried out in the area prior to the recent rush has been for gold. The ground in the vicinity of Northern Exploration's properties has been largely neglected because of the extensive overburden. Copper-zinc occurrences have been known in the past and Kam Kotia Porcupine Mines in Robb Township to the west is a successful producer of copper.

Texas Gulf Sulphur has been working quietly in the area for some time using geophysical methods, both airborne and ground. It is this method of exploration that has been successful in discovering their major ore-body. As a result, there is a great deal of exploration now being carried out in the area consisting of geophysical surveys and diamond drilling.

There is no record of any exploration having been carried out on the properties of Northern Exploration Ltd. and the company itself has not done any to date. Some work has been done in the western portions of both Jamieson and Godfrey Townships and this work has shown the presence of sulphides containing copper and zinc values.

CONCLUSIONS AND RECOMMENDATIONS

The recent major discovery made by Texas Gulf Sulphur in Kidd Township, together with the successful development of Kam-Kotia Porcupine Mines in Robb Township opens up a large belt of rocks favorable for base metal exploration.

The properties of Northern Exploration Ltd. are within the favorable belt of rocks and are quite well located in regard to the Texas Gulf discovery. Sulphide mineralization containing copper and zinc has been found in both Jamieson and Godfrey Townships.

On the basis of the results in the area and the geological conditions existing on the properties, an exploration program is justified. Since the properties appear to be entirely covered by overburden, the preliminary exploration must of necessity use geophysical methods and the following recommendations are made:

- 1. A detailed electromagnetic and magnetometer survey be carried out over all the properties. This will indicate favorable geological conditions and potential sulphide zones.
- 2. A diamond drilling program to investigate targets indicated by the geophysical surveys.

The estimate for this work is as follows:

Geophysical Surveys	\$ 7,000.00
Diamond Drilling	\$15,000.00
	\$22,000.00

The estimate of the diamond drilling is of necessity approximate as the size of this program will depend on the results obtained.

Respectfully submitted,

“H. J. Bergmann”, P.Eng.

Montreal, Que.
July 4, 1964.

CERTIFICATE OF QUALIFICATION

I, H. J. Bergmann, of the City of Montreal, in the Province of Quebec, hereby certify:

- 1. That I am a Consulting Mining Engineer and reside at 3518 Vendome Ave., Montreal, Que.
- 2. That I am a registered Professional Engineer of the Provinces of Ontario and Quebec.
- 3. That I am a graduate of the University of Alberta and hold a Bachelor of Science degree in Mining Engineering.
- 4. That I have been practising my profession as a Mining Engineer since 1938 and during the past eleven years as a Consulting Engineer.
- 5. That I have no interest, either direct or indirect, in the property or securities of Northern Exploration Ltd. other than 2,000 shares of the Company’s stock which I have purchased on the market.
- 6. That the accompanying report is based on information obtained from published maps and reports on the area.
- 7. No exploration work has been carried out on the property covered in the report dated July 4th, 1964.

Dated at Montreal this 22nd
day of September, 1964.

“H. J. Bergmann”, P.Eng.

TORONTO STOCK EXCHANGE

TORONTO

BULLETIN NO. 5361

November 11th, 1964

PROPOSED RIGHTS OFFERING

NORTHERN TELEPHONE LIMITED - The Company proposes to issue to holders of its common shares of record on November 27th, rights to subscribe for one additional common share at \$8 for each 5 common shares held. Additional information will be provided when it is available.

NOTICE RE PROPOSED RIGHTS OFFERING

HOME OIL COMPANY LIMITED - Reference is made to the notices appearing in Bulletins 5326 and 5357. The Company has advised that its proposed rights offering to Class "A" and Class "B" shareholders has been delayed for approximately one week. Accordingly, the record date for the rights offering has been changed from November 12th to approximately November 19th. Home Oil Class "A" and Class "B" shares will continue to trade on a "cum rights" basis until further notice. In view of the change in the proposed record date, it will not be necessary that claims for rights for trades commencing November 9th be made by the receiving broker against the owing broker unless delivery of certificates is delayed and transfer is not completed by the new record date.

SHARE PURCHASE OFFER EXTENDED

UNITED OILS LIMITED - With reference to the items appearing in Bulletins 5134, 5204, 5286 and 5314, the Exchange has been advised that the offer made by Home Oil Company Limited to purchase reduced shares of United Oils at 75 cents a share has been extended to the close of business Friday, December 4th.

CHANGE OF TRANSFER AGENT

CENTRAL-DEL RIO OILS LIMITED - As of November 10th, Guaranty Trust Company of Canada at Calgary, Toronto, Montreal and Vancouver has been appointed Transfer Agent and Registrar for the Company replacing Montreal Trust Company.

NOTICES FILED PURSUANT TO EXCHANGE REGULATIONS

The following notices have been accepted for filing, pursuant to Exchange regulations, from companies whose shares are posted for trading:

COPPERCORP LIMITED - The Company has filed a filing statement dated November 3rd, to disclose the following:-

The Company has entered into an agreement of lease dated October 30th, 1964, which is subject to approval of shareholders and subject to the approval of shareholders to an increase in the Company's authorized capital from 3,500,000 shares to 5,000,000 shares, under which Coppercorp will lease to Vauze Mines Limited 677.89 acres, comprising mine workings shut down in 1957, covering part of the lands held by Coppercorp in the District of Algoma, Ontario. The lease is to be for 20 years and is renewable for another 20 years but may be terminated sooner in certain events, Vauze is to provide capital of from \$1,500,000 to \$2,000,000 to develop the mine and install a mill capable of milling 500 tons a day by November 30, 1965. The Vauze expenditure, with interest at 6%, is to be repaid out of net profits after which profits would be divided equally between Coppercorp and Vauze. Vauze is to receive 250,000 shares of Coppercorp after expenditures of \$125,000 on the leased property and a further 250,000 shares after the milling rate of 500 tons a day has been attained.

Full particulars and a copy of the agreement of lease dated October 30th, will be contained in Filing Statement No. 1198.

DAERING EXPLORERS CORPORATION LIMITED - The Company has advised that during the period July 2nd to July 14th, 1964, inclusive, the Company purchased on the open market 100,000 shares of Joburke Gold Mines Limited for \$10,035.50.

MAYBRUN MINES LIMITED - The company has advised that at its directors meeting held on Tuesday, October 20th, 1964, Mr. Earl Brown, Q. C. resigned as President and a Director. His place on the Board, as President was taken by Mr. G. D. Richmond, of Scarborough Ontario. This change does not reflect any change in control of the company.

BY ORDER OF THE BOARD OF GOVERNORS

H. D. GRAHAM,
President.

TORONTO STOCK EXCHANGE

AMENDING FILING STATEMENT NO. 248.
FILED, OCTOBER 29th. 1964.

PURDEX MINERALS LIMITED

Full corporate name of Company

AMENDING FILING STATEMENT

(To be filed with respect to any change in a Filing Statement filed within a period of six months)

To be read in conjunction with Filing Statement No.1165 dated August 18,1964.

Brief statement of the material change in the affairs of the company in respect of which this amending filing statement is filed.	Underwriting and option agreement respecting treasury shares (see Item 6 hereof).														
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	By an agreement dated October 28, 1964 Draper Dobie & Company Limited, members of the Toronto Stock Exchange, acting on behalf of certain clients, has agreed, subject to acceptance for filing of this amending filing statement, to purchase forthwith 200,000 shares of the Company's capital stock at the price of 15¢ per share for a total purchase price of \$30,000.00. In consideration of the foregoing the Company will grant Draper Dobie & Company Limited the right and option to purchase all or any part of an additional 800,000 shares of the Company as follows: <table><tr><td>200,000 shares</td><td>@ 15¢ per share</td><td>within</td><td>3 months</td><td>of the effective date;</td></tr><tr><td>200,000 "</td><td>@ 20¢ " " " "</td><td>6 " " " " "</td></tr><tr><td>200,000 "</td><td>@ 25¢ " " " "</td><td>9 " " " " "</td></tr><tr><td>200,000 "</td><td>@ 30¢ " " " "</td><td>12 " " " " "</td></tr></table>	200,000 shares	@ 15¢ per share	within	3 months	of the effective date;	200,000 "	@ 20¢ " " " "	6 " " " " "	200,000 "	@ 25¢ " " " "	9 " " " " "	200,000 "	@ 30¢ " " " "	12 " " " " "
200,000 shares	@ 15¢ per share	within	3 months	of the effective date;											
200,000 "	@ 20¢ " " " "	6 " " " " "													
200,000 "	@ 25¢ " " " "	9 " " " " "													
200,000 "	@ 30¢ " " " "	12 " " " " "													
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	Draper Dobie & Company Limited has entered into the aforesaid underwriting and option agreement on behalf of its clients, John L. Appelbaum & Co. Limited, 330 Bay Street, Toronto 1, Ontario, as to a 50% interest, Dingman Creek Oil & Gas Co. Limited, 170 Bay Street, Toronto 1, Ontario, as to a 25% interest, and Endesliegh Securities Limited, 7 King Street East, Toronto 1, Ontario, as to a 25% interest. John L. Appelbaum, 105 Poplar Plains Road, Toronto 7, Ontario, is the principal and controlling shareholder of John L. Appelbaum & Company Limited. A. A. Weiss, 69 Old Forest Hill Road, Toronto 7, Ontario, holds a greater than 5% interest in Dingman Creek Oil & Gas Co. Limited, a private company, and the balance of its shares are owned by members of Mr. Weiss' family. James E. O'Connor, Caledon, Ontario, is the only person holding a greater than 5% interest in Endesliegh Securities Limited.														
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	The proceeds of the sale of treasury shares referred to in Item 6 hereof will be used: (a) to continue the exploration programs on the mining properties (see filing statement No. 1165) in the Province of British Columbia in association with Norpax Nickel Mines Limited; (b) for general administrative corporate expenses in the ordinary course of business. No part of the funds received by the Company from the aforesaid underwriting and option agreement will be used for any other purpose, without prior notice being filed and accepted by the Toronto Stock Exchange.														
10. Brief statement of company's chief development work during past year.	Since August 20, 1964 (the date of Filing Statement No. 1165) the Company in association with Norpax Nickel Mines Limited has carried out an extensive exploration program on their properties in the Province of British Columbia. This work mainly consisted of surface prospecting, trenching, testing and soil sampling. Further diamond drilling has recently been commenced on the Salsal Creek and Treasure Mountain properties.														
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	(a) The shares of the Company are not now in the course of primary distribution to the public, however, the shares referred to in Item 6. hereof will be. (b) The options with Kelcam Mining Company Limited (N.P.L.) and Len Belliveau & Associates referred to in Item 20(a) of our Filing Statement No. 1165 are maintained in good standing. If these options are exercised, the appropriate filing statement will be filed with the Toronto Stock Exchange. (c) There are no other material facts to report.														

DATED October 28, 1964

CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"S.A. Perry"

"R.D. Bell"

PURDEX MINERALS LIMITED

CORPORATE

SEAL

Director

Director

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

DRAPER DOBIE & COMPANY LIMITED

"G.D. Gooderham"

"H.W. Knight Jr."

PURDEX MINERALS LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the period August 1, 1964 to September 30, 1964

Source of Funds

Decrease in working capital	25,202.52
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Application of Funds

Exploration expenditures	22,859.20
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Administrative expenditures	<u>2,343.32</u>
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	25,202.52
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APPROVED:



Director



Director

TORONTO STOCK EXCHANGE

AMENDING FILING STATEMENT NO. 249.
FILED, OCTOBER 29th, 1964.

CONSOLIDATED MORRISON EXPLORATIONS, LIMITED

Full corporate name of Company

AMENDING FILING STATEMENT

To be read in conjunction with Filing Statement No. 1159 dated July 29, 1964.

Previous Filing Statement No. 1159 is amended as follows -

Brief statement of the material change in the affairs of the company in respect of which this amending filing statement is filed.

The sale and transfer of the Company's potash assets in the Province of Saskatchewan to Noranda Mines, Limited in consideration of 150,000 shares of Noranda Mines, Ltd. (See Schedule A attached hereto)
SCHEDULE A

By Agreement made as of the 25th day of September, 1964, between the Company and Noranda Mines, Limited (herein called Noranda), the Company agreed to sell and Noranda agreed to purchase two subsurface mineral prospecting permits held by the Company in the Province of Saskatchewan, designated as Permits Nos. 1A and 2 and comprising aggregate areas of 68,160 acres and 97,150 acres respectively, together with options to purchase freehold mineral rights comprising 1440 acres, (being all the mineral rights or interests of the Company in the Province of Saskatchewan), in consideration of the issuance to the Company of 150,000 fully paid and non-assessable treasury shares without par value of Noranda and the assumption by Noranda of payments totalling \$165,000 which may hereafter become due in respect of the mining development of Permit

The Resolution of Directors approving the said Agreement dated September 25th, 1964, was subject to the approval by two-thirds of the votes cast at a General Meeting of Shareholders of the Company, which meeting was held on the 26th day of October, 1964, at which time the necessary shareholders approval was given.

3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.

Pursuant to a resolution of the Directors passed on the 5th day of October, 1964, and confirmed without variation by the Shareholders at the Annual and General Meeting of the Shareholders held on October 26, 1964, the authorized number of Directors of the Company was increased from five to seven.

At the said Annual Meeting of Shareholders held on October 26, 1964, Messrs. P.W. Ferris, G.T. Smith, A.W. Stollery, H.F. Strong and D.R. Watt were re-elected as Directors of the Company. The two vacancies created on the Board as the result of the increase in the number of Directors of the Company have not as yet been filled.

FINANCIAL STATEMENT

CONSOLIDATED MORRISON EXPLORATIONS LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE PERIOD FROM JULY 1, 1964 TO OCTOBER 23, 1964

Funds Provided

By sale of capital stock:		
300,000 shares at 65¢ per share	\$195,000.00	
100,000 " " 75¢ " "	75,000.00	
100,000 " " 95¢ " "	<u>95,000.00</u>	\$365,000.00
By interest received		242.04
By rebate of property taxes		<u>726.79</u>
		365,968.83

Funds Applied

To payment to vendors of Potash property in accordance with Agreement dated August 10, 1959	5,000.00	
To exploration and development expenses:		
Potash project	8,292.51	
Other mining properties	20.33	
To head office and administrative expenses	<u>9,635.77</u>	<u>22,948.61</u>
Net funds provided		<u>\$343,020.22</u>

Working capital - June 30, 1964 (deficiency) (146,609.86)
Working capital - October 23, 1964 196,410.36

Increase in working capital, as above \$343,020.22

Approved on behalf of the Board

By [Signature]
Director

By [Signature]
Director

4. Share capitalization showing authorized and issued and outstanding capital.	Authorized: 5,000,000 shares, \$1.00 par. Issued and Outstanding: 4,500,000 shares, \$1.00 par.
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	There now remain outstanding under the Underwriting and Option Agreement dated July 28, 1964, options to purchase 100,000 shares of the Company exercisable at \$1.20 per share on or before April 30, 1965.
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	The Company carried out no additional work on its potash properties in Saskatchewan subsequent to July 30, 1964, and upon the sale of such potash properties to Potash Mines, Ltd. as referred to in schedule "A" hereto becoming effective, no further monies will be expended thereon by the Company. Schedule "A" is item 1.
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	There are no material contracts now in effect which are going or have been going on since the date of the prospectus.
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	There are no other material facts. The shares of the Company are not now in the course of primary distribution to the public. In the event of the exercise of the option to purchase 100,000 shares of the Company at \$1.20 per share, and the sale of such shares to the public, the shares thereby sold could be in the course of primary distribution to the public.

DATED October 26, 1964

CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"A.W. Stollery"

"G.T. Smith"

A.W. Stollery
G.T. Smith

CORPORATE
SEAL

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

"G.A. Hunter"

"J.P. Walwyn"

"D.R. Watt"

"C.J. Parton"

G.A. Hunter
J.P. Walwyn
D.R. Watt
C.J. Parton

TORONTO STOCK EXCHANGE

BULLETIN NO. 5360

TORONTO

November 11th, 1964

NEW LISTING

McADAM MINING CORPORATION LIMITED

An application has been granted to list 6,500,000 shares of \$1 par value each of the above-named Company and the shares will be posted for trading at the opening on Friday, November 13th, 1964. Ticker Abbreviation "MDM"; Post Section 3.5; Dial Ticker No. 2061.

Listing Statement No. 2179 is being prepared and will be available in the near future.

The following is some of the information which will be contained in the Listing Statement:

Incorporated under the laws of Ontario, February 21st, 1964

Head Office - Suite 502, 19 Richmond Street West, Toronto 1.

Transfer Agent & Registrar - Crown Trust Company, Toronto.

Officers - President - Levi Francis Gauvreau, Port Hope, Ont., Mining Engineer
Vice-President - John McAdam, Jr., Chibougamau, Que., Mining Geologist
Secretary-Treasurer - John Terrence Flanagan, Chibougamau, Que., Mining Geologist,

Directors - Levi Francis Gauvreau, John McAdam, Jr., John Terrence Flanagan and the following:
Eli John Gauvreau, Sudbury, Ont., Mining Geologist
Frederick Charles Knight, Toronto, Ont., Mining Engineer
Philip Sidney Cross, Toronto, Ont., Mining Engineer
James Murdock DaCosta, Toronto, Ont., Barrister & Solicitor

<u>Capital Structure</u> - Issued for properties	- 1,300,000 shares
Sold for cash	- <u>2,975,507</u> shares
Issued	- 4,275,507 shares
In Treasury	- <u>2,224,493</u> shares
Total	- <u>6,500,000</u> shares of \$1 par value each.

Shares In Escrow - 973,965 shares are held in escrow by the Crown Trust Company, Toronto, subject to release with the written consent of the Ontario and Quebec Securities Commissions, the Toronto Stock Exchange, the Canadian Stock Exchange and the directors of the company.

Shares Underwritten And/Or Under Option - By agreement dated August 5th, 1964, Dobieco Limited, on its own behalf, purchased 200,000 shares at 60 cents per share and optioned 200,000 shares at 60 cents on or before January 2nd, 1965 and three blocks of 100,000 shares each at 70¢, 80¢ and \$1.10 on or before April 2nd, 1965, July 2nd, 1965 and October 2nd, 1965 respectively.

An option is held by Dr. Wilfred Cowan, Detroit, Michigan to purchase 50,000 shares at 30¢ per share on or before January 23rd, 1965, being part of the consideration for the transfer of a petroleum and natural gas lease to the company.

Properties & Development

- (1) A 100% interest in 36 unpatented contiguous mining claims in McCorkill Township about 20 miles east of the Town of Chibougamau;
- (2) A conditional 60% interest in 19 unpatented contiguous mining claims in Roy Township. This group adjoins Property 1 in the west;
- (3) A conditional 60% interest in 3 unpatented contiguous mining claims in McKenzie Township, plus a 100% interest in 4 adjoining claims. This group is approximately 20 miles west of Property 1.
- (4) A 100% interest in 29 unpatented contiguous mining claims straddling the common boundary of Barlow and Cuvier Townships some 30 miles west of Property 1.

(Note - In addition the company holds 321 acres under petroleum and natural gas lease in the Province of Alberta.)

Up to now, the Company has concentrated its efforts on Property 1 in McCorkill Township where several geophysical surveys, trenching, test-pitting and considerable diamond drilling has been completed since 1961 to explore several asbestos bearing fibre zones. Little if any work has been done to date on Properties 2, 3 and 4 which were acquired in 1964 as additional asbestos prospects.

The Company has completed on its McCorkill Township Property a total of 64 diamond drill holes with an aggregate footage of 37,599 feet. Eight of these holes, totaling 4,969 linear feet, were drilled H-size with a 3" diameter between holes previously completed. The core obtained from the large-diameter holes, weighing more than 14 tons, was treated as a bulk sample in the Pilot Milling Plant of the Quebec Department of Mines in Quebec City.

On the basis of the work completed to date, Mr. Gordon H. Gibbs, P. Eng., in a profitability report dated September, 1964, arrives at the following tonnage estimates for four separate fibre zones:

<u>Zone</u>	<u>Tons</u>	<u>% Fibre</u>	<u>Gross Value per Ton of Rock</u>	<u>Depth</u>
A	2,000,000	3.60%	\$4.82	350'
B	27,000,000	3.94%	\$4.32	600'
C & D	40,000,000	4.54%	\$5.23	600'

Most of the asbestos occurs in the form of so-called slip fibre. Tests indicate that the following yield might be obtained from the combined C and D orebodies which the author uses as the basis for his profitability report:

<u>Grade:</u>	<u>4M</u>	<u>6D</u>	<u>7D</u>	<u>Total Yield</u>
Yield:	1.23%	2.03%	1.81%	5.07%
Value:	\$2.39	\$1.67	\$1.30	\$5.36
% Recovery:	29%	38%	33%	100%

In the opinion of Mr. Gibbs, the 40 million tons of fibre bearing rock in the C & D Body can be readily converted by selective mining and by screen beneficiation into 22 million tons of concentrated mill feed providing the above yield.

On the basis of a 5,000 ton per day operation, Mr. Gibbs estimates that operating costs would be \$2.54 per ton of ore milled for the first 5 years. This figure would indicate a possible profit of \$2.82 before depreciation, write-offs and taxes, provided a market for all anticipated grades can be found.

Financial Position - A balance sheet as at June 30th, 1964 shows total current assets of \$337,945.26 consisting of cash \$134,980.87, investment receipts \$200,000 and accrued interest of \$2,964.39. Current liabilities consisting entirely of accounts payable and accrued charges amount to \$27,674.65.

BY ORDER OF THE BOARD OF GOVERNORS

H.D. GRAHAM
President

TORONTO STOCK EXCHANGE TORONTO

Bulletin No. 5362

November 11, 1964

TRANSFER OF SEAT AND ELECTION OF MEMBER

The Board of Governors, acting under Section 1 of By-Law 34, has approved the transfer of the seat recorded in the name of Mr. G. Reed Blaikie, a partner in the member firm of Cassels, Blaikie & Co., to Mr. J. C. Barron, another partner in the member firm, the transfer to become effective upon the election of Mr. Barron as a member.

Since the transfer is to a partner, filing of claims has been dispensed with under Section 2 of the By-Law.

Application for membership from Mr. J. C. Barron has been approved and posted on the notice board and the applicant will come up for election on Tuesday, November 17th, the ballot opening at 10:00 a.m. and closing at 3:30 p.m.

CHANGE IN A MEMBER CORPORATION

The following change in a member corporation has been approved:

ROSS, KNOWLES & COMPANY LIMITED - Thomas Staples has been admitted as a director,

POOLED STOCK RELEASED

NISTO MINES LIMITED - The consent of the Toronto Stock Exchange has been given to the release of 180,000 shares, presently held in escrow by the Crown Trust Company as follows: -

60,000 shares forthwith
60,000 shares on December 31, 1964
60,000 shares on June 30, 1965.

These shares comprise all the shares presently held in escrow.

NOTICES FILED PURSUANT TO EXCHANGE REGULATIONS

The following notices have been accepted for filing, pursuant to Exchange regulations, from companies whose shares are posted for trading:

NISTO MINES LIMITED - Under an agreement with Elmore M. Dillman of Toronto, dated November 2nd, the company was assigned a working option in and to 40 unpatented mining claims located in Dolomieu Township, Quebec, by a payment of \$3,500 cash until May 1st, 1965, a further \$6,500 thereafter for an extension until November 1st, 1965, thereafter an additional \$15,000 for an extension until November 1st, 1966 and to exercise the option by this date, the company will be required to make a final payment of \$25,000 and issue 400,000 vendor shares of a new company to be formed to acquire the mining claims in question. A copy of the agreement is on file with the Exchange.

TRANS-CANADA EXPLORATIONS LIMITED - The company has filed a filing statement to disclose the following items which may be considered as material changes in the affairs of the company: -

1. Subject to approval of shareholders, the company will amalgamate with Roman Corporation Limited, under the name of Roman Corporation Limited. Shareholders will receive one share of the amalgamated company for each two shares now held, and shareholders of Roman Corporation Limited will receive one share of the amalgamated company for each one share held.

2. Both the company and Roman Corporation Limited presently own shares of Rotra Mines Corporation Limited, to the extent of 300,000 and 200,000 shares respectively. The companies are selling these shares to Black Hawk Mining Limited, and in return, Trans-Canada will receive 240,000 shares of Black Hawk, and Roman Corporation will receive 160,000 shares. Black Hawk will cause Rotra to repay to Trans-Canada and to Roman Corporation but without interest, the present indebtedness of Rotra to both Trans-Canada and Roman.

3. The company has purchased 13,325 shares of Denison Mines during the period subsequent to June 30th, 1964, for a total cost of \$307,432. Upon the amalgamation becoming effective, the amalgamated company will hold 327,091 shares of Denison Mines Ltd., and 400,000 shares of Black Hawk Mining Limited. Full particulars are given in Filing Statement No. 1199.

BY ORDER OF THE BOARD OF GOVERNORS

H. D. GRAHAM,
PRESIDENT.

SUMMARY

The property of Kelly Desmond Mining Corporation in Poirier Township, Quebec, is controlled and managed by Northern Exploration Ltd. The property is situated approximately 34 miles southwest of the Mattagami ore deposits and in close proximity to the properties of Rio Algom Mines and Joutel Copper Mines, both of which are proceeding with underground development.

An all weather road to the property is nearing completion and facilities necessary for a mining operation will be available.

Diamond drilling on the property has outlined several sulphide bodies containing values in copper, zinc and silver within an area 1,000 feet long by 500 feet. The deepest intersection is at a vertical depth of 800 feet but depth exploration has been limited. The sulphide bodies are very similar structurally and mineralogically to the ore deposits at the nearby property of Rio Algom Mines where plans are underway to construct a mill with a minimum capacity of 1,500 tons per day.

The drilling program on the property of Northern Exploration Ltd. has indicated a tonnage of 816,330 tons with an average grade of 0.72% copper, 7.75% zinc and 1.10 ozs. silver per ton. In addition, there are tonnages of lower grade material and several indications of other ore zones.

Discussions have been held with Rio Algom officials and an arrangement can readily be made to custom mill the ore at their mill if there is not sufficient ore outlined to justify the erection of the Company's own concentrator.

Shaft sinking has started on the Northern property and a program of underground development is planned to develop and corroborate the drill indicated ore. A program of underground drilling is also planned to explore for additional ore. The estimated cost for this program is \$1,180,000. At the completion of this program a re-assessment of the ore picture would be made to determine if the Company should plan its own concentrator or proceed with an arrangement for custom milling.

On the basis of the present tonnage indicated, custom milling would be justified. It is estimated that an operating profit of \$4.05 per ton could be realized with the treatment of 800 tons per day. On the indicated ore of 816,330 tons, this would represent a total operating profit of \$3,306,136. The total estimated expenditures through to production on this basis would be \$1,500,000. Thus the project is feasible and there is the distinct possibility of considerably enlarging the ore reserves and the profit.

REPORT ON PROPERTIES OF NORTHERN EXPLORATION LTD. JOUTEL AND POIRIER TOWNSHIPS, QUE.

INTRODUCTION

Northern Exploration is the owner of a property in Joutel Township consisting of 236 acres and has the controlling interest (60%) in a property consisting of approximately 1,000 acres in Poirier Township.

The Joutel property has had limited exploration work but the results have not justified further expenditures. The property is presently dormant but has been kept in good standing. On the other hand, a large amount of exploration has been carried out on the Poirier property and the results to date have indicated sufficient ore to justify a program of underground development. Shaft sinking is presently underway on the property. The property is in close proximity to the Poirier Mine, a subsidiary of Rio Algom Mines and Joutel Copper Mines, both of which are proceeding with underground development to investigate copper-zinc ore bodies.

The following report describes the two properties of Northern Exploration Ltd. in this area but deals largely with the Poirier property. The scope of the report covers a description of the exploration, calculation of ore reserves, cost estimates and profit potential.

PROPERTIES AND LOCATION

The property in Joutel Township consists of seven contiguous claims situated in the southwest quadrant of Joutel Township, Abitibi East, Quebec. The claims are registered with the Department of Natural Resources as claims 1 to 5, certificate 184566 and claims 1 and 2, certificate 180795. They are presently held under development licenses 184566 and 180795.

The property in Poirier Township consists of 1,000 acres covering lots 24 to 33 inclusive in Range X, Poirier Township. The claims are registered as claims 1 and 2 on licenses 167733 to 167737 inclusive. The claims are presently held under development licenses 167733 to 167737 inclusive.

The properties are located approximately 65 miles by air from Amos, a town on the main line of the Canadian National Railway. The town of Matagami is situated about 34 miles to the northeast. A map showing the location of the properties in relation to Joutel Copper Mines and Mine de Poirier is attached to the report.

ACCESSIBILITY AND FACILITIES

Until recently, the property has been reached by aircraft from Amos to the Harricana River, then westward along a jeep road that extends to the properties of Joutel Copper Mines, Northern Exploration and Rio Algom Mines. The distance by road from the river to the Northern property is approximately five miles. During the winter there has been a winter road extending from Mileage 72 on the Matagami Highway westward across the river on an ice bridge and to the property. This road was kept open and was passable for cars and trucks. All equipment and supplies were brought in over this road.

In July of this year the government started construction of an all-weather road from the Matagami Highway to the river, a distance of approximately 10 miles. This is now within one mile of the river and is expected to be completed by the first week in October. In the meantime, negotiations are underway by the three companies operating in the area for a barge to transport trucks across the river and a contract to gravel the access roads from the river to the properties.

Negotiations are also underway between Rio Algom Mines and the Quebec Hydro for the construction of a power line from the Matagami power line to their property. The writer has been assured that the line will be sufficient to cover the needs of all three properties, should they require power.

There is an ample water supply close to the property for all present needs and if a greater supply is required there is a small lake approximately 5,000 feet from the shaft location.

Rio Algom Mines expect to have their property in production by the end of 1965 and thus all facilities for a complete mining operation will be available. It is planned to make all possible facilities a joint operation among the three companies.

HISTORY

The first serious work in the Joutel-Poirier area was carried out in 1959 when Riocanex carried out an airborne geophysical survey. On the basis of the survey they acquired the property now operated by Mine de Poirier Inc., a subsidiary of Rio Algom Mines. At the same time Prospectors Airways acquired the property that is now Joutel Copper Mines.

Ground geophysical work followed by diamond drilling soon showed the above-mentioned properties to have potential as base metal mines. This sparked off considerable staking and Kelly Desmond Mining Corporation acquired 500 acres in Range X, Poirier Township, in 1959. The adjoining 500 acres were acquired in November, 1960. The seven claim property of Northern Exploration Ltd. in Joutel Township was acquired about the same time.

Geophysical surveys were carried out on both of these properties during 1961-62 and two holes were drilled on the Joutel property. No encouragement was encountered and no further work was carried out until 1963.

Early in 1963 an agreement was made whereby Northern Exploration Ltd. could earn a 60% interest in the property of Kelly Desmond Corporation in Poirier Township and would have the management of the property. Northern Exploration Ltd. carried out some additional geophysical surveys followed by diamond drilling. Diamond drilling started in June, 1963, and results of the drilling program were sufficiently encouraging to embark on a large scale program.

This program indicated sufficient ore to justify an underground program of development. Supplies and equipment were brought in over the winter road in the spring of 1964 and construction of the necessary buildings started immediately. Shaft sinking is presently underway on the property.

GEOLOGY

The general area is largely covered with overburden and rock outcrops are relatively scarce. The area is largely underlain by Keewatin volcanics that include both rhyolite and andesite, as shown by Map No. 554A published by the Geological Survey of Canada.

From the limited outcrops and the results of the diamond drilling, the property of Kelly Desmond Mining Corporation appears to be largely underlain by rhyolite. The general trend of the volcanics is northwest. The property of Northern Exploration in Joutel Township appears to be largely underlain by granite as indicated by the limited diamond drilling.

In the vicinity of the mineralized zones the rhyolite is highly altered with sericite and chlorite being fairly abundant. In direct contact with the sulphide zones, chloritic alteration is dominant. The rhyolite here has been classified as a meta-rhyolite as opposed to the more massive variety found elsewhere. To the north of the mineralized zones there is a band of porphyritic rhyolite containing distinct quartz phenocrysts. This has also been found in other sections of the property.

Outcrops of gabbro have been found in the northwest portion of the property which are similar to those found on the Rio-Algom property to the west.

In the vicinity of the mineralized zones diamond drilling has encountered numerous sections of a meta-diabase. This rock type is usually altered and is identified largely by the presence of leucoxene. In places it is fairly massive and from the diamond drilling it occurs as dykes which appear to be rather irregular and there is a suggestion of tight folding. There may be some genetic relation between the meta-diabase and the sulphide zones.

Several bodies containing sulphide mineralization with copper-zinc and silver values have been outlined within a potential area 1,000 feet long and approximately 500 feet wide. (See level plans.) These zones generally appear to have a strike slightly north of west and have an almost vertical dip. The host sulphides are predominantly pyrite and pyrrhotite with the former being predominant. The sulphide content ranges from disseminated to 80% with the average about 40%. The pyrrhotite is largely associated with the sphalerite while the chalcopyrite is almost always associated with pyrite.

To date sphalerite has been the predominant ore mineral but some narrow zones show high chalcopyrite concentrations with little or no sphalerite. In the Main or "A" zone the majority of the chalcopyrite appears to be concentrated along the contact of the sulphide zone. It is quite possible that some of these generalizations will bear revision following underground work.

MINERAL DEPOSITS AND THE DEVELOPMENT

The discovery of the mineral deposits on the Poirier property was made by means of geophysical surveys through fairly heavy overburden. The target obtained was a coincident electromagnetic and magnetic anomaly. Diamond drilling was started in June, 1963, and to date a total of 42,633 feet has been drilled, consisting of 66 holes. Some additional geophysical surveys have been carried out to guide the drilling program. The surface drilling program has been stopped and further drilling will be carried out from underground.

All holes have been surveyed for azimuth and dip variations using a Tropari instrument. The holes have been plotted to show the variations and are shown on a plan accompanying this report.

The drilling program has been successful in outlining several sulphide bodies containing ore values in copper-zinc-silver along a length of approximately 1,000 feet. The individual sulphide bodies appear to be lenticular in shape with lengths up to 400 feet and widths from a few feet up to 80 feet. The sulphide mineralization continues to a vertical depth of at least 800 feet and appears to be still open. Depth investigation has been limited as yet and only isolated intersections containing ore values have been obtained below 600 feet.

The sulphide zones are shown on level plans at 100 foot intervals prepared from diamond drill data. These are lettered A, B, C, D, E and F on the plans accompanying this report. The zones are shown as the actual width of mineralization but in most cases the width of ore values is less although there are usually low values throughout the entire zone. The ore values are shown on the accompanying plans and appended to this report is a complete list containing most of the intersections obtained in the drilling. This list does not include some of the low grade and narrow intersections. An examination of this list gives an idea of the multiple intersections obtained in the drilling and the difficulty in correlation. The surface drilling gives a gross picture which may be changed in detail by underground work.

The main or "A" zone has been outlined to a depth of slightly better than 400 feet and shows a length of approximately 250 feet. It would appear that the sulphide zone continues to depth as a wide zone was encountered in hole K-60 between 700 and 800 feet that correlates quite well. Most of the values were low in this hole but a 10.6 foot section near the north contact assayed 5.19% copper, 0.47% zinc and 1.80 ozs. silver. This may indicate that there could be a predominance of copper rather than zinc at depth. On the other hand, this may be an entirely separate zone.

The only sulphide body outlined to any extent below 400 feet is referred to as "F" zone and this appears to start at 450 feet and has been outlined to a depth below 700 feet. It is a wide irregular zone which is complicated by the presence of the folded meta-diabase. It shows possibilities of a large tonnage potential but to date the intersections have been on the low side with the exception of narrow sections. It was originally believed to be the extension down the plunge of the "A" zone but this has not been verified. It is shown on the 600 foot level plan accompanying the report.

In addition to the vertically dipping zones, a flat-lying zone has been outlined with a thickness in the vicinity of 40 feet and extending from the 200 foot level to surface with a 15 degree plunge. Its extent is shown approximately on the 100 and 200 foot level plans. The values have been erratic in this zone and no attempt has yet been made to include this zone in the ore reserves. However, there are some ore sections in it and closer drilling may clarify the picture.

An encouraging feature has been the similarity in structural conditions and mineral association between the sulphide bodies at Northern Exploration and those at the nearby Poirier Mine of Rio Algom Mines. Their property is much more advanced and plans are now underway for the construction of a 1,500 ton per day mill. The ore at their property likewise occurs in lens-like zones within a main sulphide body which has now been traced to a depth of 1,800 feet and is still open. The sulphide minerals and association are the same and the same intense chlorite alteration is associated with the zone. This cannot be used as a criteria to indicate that the Northern Exploration zones persist to depth but together with present indications it lends encouragement for depth exploration.

The sinking of a three compartment production shaft has started and all additional exploration and development will be carried out from underground. The present depth of the shaft is 85 feet and it will be sunk to a depth of 650 feet and lateral work carried out on the 300 and 600 foot levels. Detailed diamond drilling is planned for underground to more accurately outline the ore zones and carry out exploration at depth.

TONNAGE AND GRADE POTENTIAL

In spite of fairly close drilling it has been rather difficult to correlate individual drill intersections, thus making accurate tonnage calculations difficult. This is due to the multiple intersections in any one hole which may be due to folding or faulting. It seems obvious that we are dealing with a number of lenses of ore of different sizes along a major structure. This is borne out by the underground development at the neighboring property of Rio Algom Mines where they have a number of lenticular ore bodies along a major sulphide body.

The following tonnage estimates of drill indicated ore have been made using only those lenses which are well defined by drilling and allowing very little extension beyond the drill sections. As mentioned earlier, the drilling program has intersected numerous narrow copper intersections that are not related to the main sulphide zones and no estimate of tonnage from these sources is included as there is insufficient drilling carried out.

There is also a fairly large tonnage of sub-ore material indicated in a flat-lying sulphide body to the south of the main zone. This body is almost all above the 200 foot level and no attempt has been made to include this in the tonnage estimates.

The tonnage estimates include five separate bodies, A, B, C, D and F. The tabulation of all drill holes used in the calculations for each body is shown on the following pages with widths and assays.

North-south vertical sections have been prepared at 50 foot intervals and all data for the calculations have been taken from these sections including true widths. A sample section at 2400E is included with this report. To obtain an approximate outline of the ore shoots, geological plans were prepared at 100 foot intervals from the diamond drill data. Copies of these plans are included with this report.

In the calculations for each ore shoot is an average length and depth arrived at from the plans and sections. The average width is obtained from the average width of all drill intersections, through the zone. A factor of 10 cubic feet per ton has been used to convert volume to tonnage.

The average grade of each body is obtained by multiplying the true width of each drill intersection in the block by the average assay of that intersection and dividing the sum of all such products by the sum of all the widths. No allowance has been made for dilution at this stage.

The calculations for each body are listed below:

“A” ZONE

INTERSECTIONS BETWEEN SURFACE AND 450 FEET

Section	Hole No.	Width	True Width	Cu	Zn	Ag	Elev. (below surface)
2350E	K-25	72.9	65.0	0.56	3.81	0.59	200-245
2400E	K-12	92.0	*60.0	0.63	5.32	0.55	170-240
		or 47.8	33.0	0.22	9.91	0.75	200-240
2400E	K-28	71.9	48.0	0.27	10.50	1.73	300-340
2400E	K-18	24.2	18.0	1.52	5.40	1.07	390-410
2500E	K-13	197.5	140.0	0.43	16.76	1.61	215-370
2450E	K-15	24.1	16.0	0.35	4.25	2.64	355-370
2500E	K-14	27.0	19.0	0.29	18.88	3.73	370-390
2600E	K-16	36.8	22.0	2.13	0.38	0.65	370-400

Length of body – 250'

Depth of body – 370'

Average width – 48.5'

TONNAGE: $250 \times 370 \times 48.5 = 448,625$ tons
10

AVERAGE GRADE: 0.60% Cu, 10.18% Zn, 1.36 oz. Ag

INTERSECTIONS BETWEEN 700' and 800' LEVELS

Section	Hole No.	Width	True Width	Cu	Zn	Ag	Elev. (below surface)
2400E	K-49	18.3	15.0	2.04	1.50	0.68	694-705
2400E	K-60	10.6	6.0	5.19	0.47	1.80	745-752

Length of body – 80'

Depth – 90'

Average width – 10.5'

TONNAGE: $80 \times 90 \times 10.5 = 10,800$ tons
10

AVERAGE GRADE: 2.94% Cu, 1.21% Zn, 1.0 oz. Ag

*Indicates intersection used in calculations

“B” ZONE

INTERSECTIONS

Section	Hole No.	Width	True Width	Cu	Zn	Ag	Elev. (below surface)
2400	K-12	19.0	13.0	0.53	5.24	0.31	60- 75
2400	K-18	52.9	39.0	0.55	8.78	0.97	225-260
2500	K-13	6.5	*4.0	1.95	—	0.25	120
		or 48.5	36.0	0.70	—	0.15	120-155
2500	K-15	5.7	*3.5	0.17	8.68	0.29	270
		or 40.9	32.0	0.11	2.24	0.48	270-290
2550	K-14	9.5	6.0	4.00	—	0.86	185-192
2550	K-3	15.0	10.0	1.83	0.12	0.12	450-461
2600E	K-8	10.5	7.0	0.06	10.64	0.16	421-428

Length — 225'

Depth — 300'

Average width — 11.7'

TONNAGE: $300 \times \frac{225}{10} \times 11.7 = 78,975$ tons

AVERAGE GRADE: 0.96% Cu, 6.26% Zn, 0.62 oz. Ag

“C” ZONE

INTERSECTIONS

Section	Hole No.	Width	True Width	Cu	Zn	Ag	Elev. (below surface)
2000E	K-30	16.5	11.0	0.54	17.94	1.74	220-230
2000E	K-34	27.1	21.0	0.23	21.46	1.38	305-325
1950E	K-57	10.3	7.0	0.37	6.84	1.54	245-253
2100E	K-40	8.0	5.0	0.08	10.50	0.52	290-295
2200E	K-22	9.7	6.0	6.08	—	—	120-126
2250E	K-23	4.3	2.5	1.27	—	0.35	315
2300E	K-21	8.0	5.0	2.08	0.28	0.54	170-175
2300E	K-48	6.9	4.0	3.48	0.18	1.28	276-280
2350E	K-26	27.0	22.0	0.87	2.40	0.57	300-325

Length — 300'

Average depth — 200'

Average width — 9.3'

TONNAGE: $300 \times \frac{200}{10} \times 9.3 = 55,800$ tons

AVERAGE GRADE: 1.16% Cu, 9.04% Zn, 1.0 oz. Ag

“D” ZONE

INTERSECTIONS

Section	Hole No.	Width	True Width	Cu	Zn	Ag	Elev. (below surface)
2100E	K-51	10.0	6.0	1.74	—	N.A.	40- 50
2200E	K-10	5.0	3.0	3.17	—	0.93	90
2200E	K-23	9.5	6.0	—	5.18	0.25	245-250
2300E	K-44	3.7		2.12	3.51	0.95	400

(Not included)

Length — 150'

Depth — 150'

Average width — 5.0'

TONNAGE: $150 \times \frac{150}{10} \times 5 = 11,250$ tons

AVERAGE GRADE: 1.33% Cu, 2.07% Zn, 0.48 oz. Ag

Note:—K-44 was not included as there is too much of a gap and correlation is questionable.

“F” ZONE

INTERSECTIONS

Section	Hole No.	Width	True Width	Cu	Zn	Ag	Elev. (below surface)
2600E	K-3	15.0	10.0	1.83	0.12	0.12	455-462
2650E	K-8	70.7	49.0	1.01	2.58	1.04	
2650E	K-54	5.3	(Not used)	0.94	2.36	N.A.	808
2700E	K-27	17.4	*10.0	0.30	10.20	1.24	460-475
		or 47.4	25.0	0.32	4.57	1.00	460-500
2700E	K-37	30.0	24.0	0.20	5.92	0.33	634-652
		or 118.0	*80.0	0.26	3.42	0.63	634-740

Length — 160'

Depth — 350'

Average width — 37.3'

TONNAGE: $160 \times 350 \times 37.3 = 208,880$ tons
10

AVERAGE GRADE: 0.61% Cu, 3.38% Zn, 0.77 ozs. Ag

Note:—K-54 not used as correlation is questionable.

SUMMARY OF CALCULATIONS

	Tonnage	% Cu	% Zn	Ozs. Ag
“A” Zone	450,625	0.60	10.18	1.36
“A” Zone (Depth)	10,800	2.94	1.21	1.00
“B” Zone	78,975	0.96	6.26	0.62
“C” Zone	55,800	1.16	9.04	1.00
“D” Zone	11,250	1.33	2.07	0.48
“F” Zone	208,880	0.61	3.38	0.77

TOTAL TONNAGE: 816,330

AVERAGE GRADE:
0.72 7.75 1.10
% Cu % Zn Ozs. Ag

In reference to the tonnage and grade calculations, it is obvious that these can be changed because of the wide sulphide bodies. The tonnage can be increased with a decrease in grade or vice versa.

METALLURGY

There has not been any metallurgical test work carried out on the ore as only core rejects are available as yet. Since the ore is almost identical to that at the Rio Algom property, no difficulties are anticipated. That company is presently designing a mill and it has been found that the ore is a relatively simple one to treat.

Discussions have already been held with Rio Algom officials in reference to custom milling the ore from Northern Exploration. They have expressed a desire to treat the ore on a contract basis and have also made overtures in regard to mining the ore on a contract basis.

The present ore reserves indicated by diamond drilling are not sufficient to justify an independent mill and unless a much larger tonnage is developed underground, custom milling is the logical operation.

COST ESTIMATES

Cost estimates were prepared March 1, 1964, to cover the planned program of underground development embarked on at that time. These costs covered a 22-month period and included both capital and operating costs during that period. This period would cover all work up to the time when actual production plans would commence providing the underground program corroborates the drill indicated ore.

At the end of this period, a decision would be made as to whether to proceed with plans for construction of a concentrator or to enter into a contract for custom milling with Rio Algom Mines Ltd. This decision would be based on ore developments at the time and financial arrangements.

Since the cost estimates were made on March 1, most of the capital expenditures have been made, the shaft collar has been completed and shaft sinking has commenced. Listed below are the estimates for the 22-month period including equipment and buildings. Listed beside the estimates are the expenditures from March 1 to July 30.

	Expenditures (Mar. 1 - July 30)	Estimates (22-months)
Surface Diamond Drilling	50,066.46	50,000.00
Transportation and Telephone	4,940.71	11,000.00
Road and Site Preparation	10,853.79	20,000.00
Buildings including headframe	77,203.20	75,000.00
Equipment including installation and Foundations	124,565.22	165,000.00
Shaft collar	94,350.80	75,000.00
Facilities	10,835.64	25,000.00
Shaft sinking including timber (650')	33,968.26	165,000.00
Stations, etc.	—	20,000.00
Cross-cutting and Drifting (3000')	9,919.84	140,000.00
Allowance for grouting	1,400.00	20,000.00
Underground drilling	—	75,000.00
Company labor and supervision	4,284.37	90,000.00
Head Office Eng. and Administration	6,806.02	90,000.00
4-Month Maintenance	—	52,000.00
		1,073,000.00
Contingencies		107,000.00
TOTAL:	\$429,194.31	\$1,180,000.00

The expenditures of \$1,180,000.00 cover a 22-month period but it is expected that the actual development will be completed in less time but a period has been allowed for evaluation, further planning and possible contingencies. If the program is completed in a shorter time, certain of the costs would be reduced proportionately.

In the actual expenditures to date, the only item that has exceeded the estimates is the shaft collar, due to unexpected difficulties. At this stage it would appear that the expenditures will be well within the original estimates.

The indicated tonnage by diamond drilling is sufficient to justify the above-mentioned program. If underground development should substantially increase the tonnage, a re-assessment would be made to determine if construction of a concentrator would be justified. A rough estimate for the additional expenditures from the completion of the underground program through to production is three and a half million dollars based on a production rate of 500 to 1,000 tons per day. This would include metallurgical testing, plant design, additional shaft sinking and mine development, mill construction, additional buildings and townsite.

PROFIT POTENTIAL

Since the tonnage indicated at this stage is limited, the profit potential must be based on these figures although it appears very likely that the figure will be increased by underground development. On this basis, we will assume that the ore will be milled on a custom basis. It might also be found advantageous to have the ore mined on a contract basis, thus eliminating any additional capital expenditures. Rio Algom officials have assured Northern Exploration that they would welcome such an arrangement.

In arriving at the profit potential certain assumptions must be made in reference to recoveries, smelter costs and mining methods. It would appear that shrinkage stope mining will be adaptable to the ore bodies which should allow fairly reasonable costs.

The costs are based on a minimum figure of 800 tons per day.

Based on a price of 13.50 cents per pound for zinc and 35 cents per pound for copper, the net smelter returns are estimated at 5 cents per lb. for zinc and 24 cents per lb. for copper. Thus the net value of the ore after milling losses, freight and treatment charges would be:

Zinc	\$ 7.75 per ton of ore
Copper	3.60 per ton of ore
Silver	1.30 per ton of ore
TOTAL:	\$12.65 per ton of ore

Operating costs are estimated as follows:

Mining	\$2.00 per ton
Milling and charges	2.60 per ton
Other operating and administrative charges	4.00 per ton
TOTAL OPERATING COSTS:	\$8.60 per ton
OPERATING PROFIT:	\$4.05 per ton

On the indicated reserve of 816,330 tons, this would represent \$3,306,136. No taxes would be payable as this tonnage would all be milled within the three year tax exemption period.

The above profit is based on the minimum tonnage indicated at present and the present planned development program would be almost sufficient to outline and prepare this ore for mining. On this basis, the total estimated expenditures up to production would be \$1,500,000. Thus the project can be regarded as profitable at this stage even if the ore reserves are not enlarged.

CONCLUSIONS AND RECOMMENDATIONS

The exploration program to date has outlined 816,330 tons of indicated ore with an average grade of 0.75% copper, 7.75% zinc and 1.10 ozs. silver. There are numerous indications that this tonnage will be increased by the underground development program now underway.

The deposit is strategically located about four miles distant from the property of Rio Algom Mines where plans are underway for construction of a concentrator with a minimum capacity of 1,500 tons per day. The Northern Exploration deposit is very similar structurally and mineralogically to the Rio deposit.

Arrangements can be made to custom mill the ore from Northern Exploration's property at the nearby Rio mill. Prior to construction of the Rio concentrator, the underground program at Northern should be sufficiently advanced to permit a new assessment of the ore potential. Unless the ore reserves are increased considerably, it is recommended that an equitable arrangement be made with Rio Algom Mines to treat the ore in their concentrator.

It is estimated that with the present indicated ore an operating profit of \$3,300,000 would be made. The total expenditure to production on this basis would be approximately \$1,500,000. Thus there would be an ample return on the investment with good chances of increasing the ore reserves and the total profit.

Respectfully submitted,

"H. J. Bergmann", P.Eng.

Montreal, Que.
Sept. 23, 1964.

NORTHERN EXPLORATION LTD.
ASSAY AVERAGES

Hole No.	Footage	Ft.	Cu	Zn	Pb	Ag
K-1	212 -230.8	17.2	0.19	12.09	—	0.38
	230.8-242.1	11.3	0.18	0.70	—	0.13
K-2	163 -178.5	15.5	0.38	3.58	—	0.45
	178.5-184	5.5	0.05	Nil	—	0.12
	184 -196	12.0	0.12	6.60	—	0.55
	196 -211.5	15.5	0.16	2.17	—	0.73
	236 -243	7.0	0.02	3.50	—	0.64
K-3	174 -183.6	9.6	0.23	14.30	—	0.91
	183.6-225.5	41.9	0.22	1.60	—	0.39
	225.5-232.2	6.7	4.57	—	—	1.92
	366 -380	14.0	Tr.	1.14	—	1.08
	380 -389	9.0	0.02	20.84	—	0.89
	448.3-470	21.7	1.86	—	—	0.66
	538.4-545	6.6	1.22	—	—	0.13
	600.7-615.7	15.0	1.83	0.12	—	0.12
K-6	232 -260	28.0	0.02	1.64	—	0.37
K-7	83 -105	22.0	0.05	5.75	—	0.21
	112 -120.8	8.8	0.08	6.10	—	0.40
	218.5-225	6.5	0.45	Nil	—	0.25
K-8	206.5-210.5	4.0	0.25	1.95	—	0.68
	537 -547.5	10.5	0.06	10.64	—	0.16
	803.8-874.5	70.7	1.01	2.58	—	1.04
K-9	834 -836.5	2.5	0.07	9.80	—	—
	863.0-868.3	5.3	0.05	3.49	—	—
K-10	119 -124	5.0	3.17	Nil	—	0.93
K-11	236.5-241.5	5.0	2.05	—	—	0.70

ASSAY AVERAGES (Continued)

Hole No.	Footage	Ft.	Cu	Zn	Pb	Ag
K-12	93.5-112.5	19.0	0.53	5.24	—	0.31
	220.8-226	5.2	6.28	—	—	0.63
	265 -312.8	47.8	0.22	9.91	—	0.75
	432.5-439.5	7.0	1.05	—	—	0.45
	481 -486	5.0	0.95	—	—	0.38
K-13	160.5-167	6.5	1.95	—	—	0.25
	196 -209	13.0	1.24	—	—	0.29
	216.9-218	1.1	1.85	—	—	0.28
	263.2-272	8.8	1.01	—	—	0.16
	288.5-308.5	20.0	1.70	—	—	0.15
	317 -338	21.0	1.36	—	—	0.13
	344 -367	23.0	0.35	1.45	—	2.03
	367 -486	119.0	0.12	20.2	0.54	2.36
K-14	240 -249.5	9.5	4.00	—	—	0.86
	325 -340	15.0	1.16	—	—	—
	375.2-380.2	5.0	2.17	—	—	—
	388.7-397.5	8.8	1.76	—	—	0.14
	458 -467.2	9.2	0.40	23.7	—	3.06
	480.1-485	4.9	0.08	9.85	3.30	5.00
	492 -499.2	7.2	0.04	1.58	0.12	2.72
K-15	349.5-355.2	5.7	0.17	8.68	—	0.29
	493.7-517.8	24.1	0.35	4.25	—	2.64
	538.7-543.5	4.8	1.10	—	—	2.00
	563.6-566.4	2.8	2.10	—	—	1.50
K-16	463.2-500.0	36.8	2.13	0.38	—	0.65
	583.8-586.7	2.9	0.0	13.15	—	0.35
K-18	289.3-342.2	52.9	0.55	8.78	—	0.97
	511.7-535.9	24.2	1.52	5.40	—	1.07
K-17	576.0-581.0	5.0	1.41	3.55	—	—
K-17W	658.1-688.5	29.8	0.11	1.27	—	0.56
K-19	Nil					
K-20	292.3-297.2	4.9	1.13	—	—	0.22
	319.0-322.2	3.2	1.43	—	—	—
K-21	234.0-242.0	8.0	2.08	0.28	—	0.54
K-22	171.1-180.8	9.7	6.08	—	—	1.38
K-23	190.9-199.5	8.6	1.99	0.45	—	0.51
	327.6-337.1	9.5	—	5.18	—	0.25
	445.7-450.0	4.3	1.27	Tr.	—	0.35
K-24	Nil					
K-25	293.3-342.0	48.7	0.39	4.47	—	0.63
	351.2-376.2	25.0	0.83	2.41	—	0.49
	or 293.3-376.2	72.9	0.56	3.81	—	0.59
K-26	130.0-134.7	4.7	0.35	8.56	—	0.40
	157.5-170.0	12.5	0.74	2.70	—	0.25
	or 130.0-170.0	40.0	0.30	2.04	—	0.15
	238.6-254.6	16.0	Low			
	402.1-420.0	17.9		0.62	—	0.83
	420.0-437.5	17.5		3.54	—	0.89
	441.5-447.0	5.5		0.50	—	—
	or 420.0-447.0	27.0	0.87	2.40	—	0.57
K-27	491.7-501.0	9.3	1.15	0.42	—	—
	557.6-575.0	17.4	0.30	10.20	—	1.24
	or 557.6-605.0	47.4	0.32	4.57	—	1.00
	605.0-718.0	113.0	0.49	—	—	0.30
	815.8-822.5	6.7	1.00	0.60	—	—
K-28	100.5-103.5	3.0	2.01	0.27	—	—
	378.1-404.3	26.2	0.25	19.80	—	2.50
	409.3-450.0	40.7	0.34	5.79	—	1.44
	or 378.1-450.0	71.9	0.27	10.50	—	1.73
K-29	Nil					

ASSAY AVERAGES (Continued)

Hole No.	Footage	Ft.	Cu	Zn	Pb	Ag
K-30	297.0-313.5	16.5	0.54	17.94	—	1.74
K-31	835.0-847.0	12.0	—	2.13	—	0.26
K-32	Nil					
K-33	Nil					
K-34	422.7-449.8	27.1	0.23	21.46	—	1.38
	468.1-474.0	5.9	1.93	—	—	1.40
K-35	Nil					
K-36	Nil					
K-37	610.5-623	12.5	0.80	—	—	—
	679.5-683.8	4.3	1.80	—	—	—
	694.5-698.5	4.0	0.30	14.90	—	—
	715 -745	30.0	0.20	5.92	—	0.33
	745 -833	88.0	0.28	2.57	—	0.73
or 715 -833		118.0	0.26	3.42	—	0.63
K-38	Nil					
K-39	598.6-603.4	4.8	0.10	7.48	0.92	0.62
K-40	392 -400	8.0	0.08	10.50	—	0.52
	407 -409.3	2.3	1.15	0.20	—	—
K-41	675 -706.1	31.1	0.03	4.92	0.75	1.12
K-42	Nil					
K-43	906.5-925.1	18.6	0.09	14.43	—	0.64
K-44	37 - 96.8	59.8	0.35	4.99	—	0.16
	417.4-422	4.6	0.10	4.15	—	—
	451 -465	14.0	0.05	5.20	—	0.76
	502.6-514	13.4	0.07	2.89	—	—
	524.7-535	10.3	0.27	2.76	—	—
	556.5-560.2	3.7	2.12	3.51	—	0.95
Note:	447 to 560.2 — Continuous mineralization with low values.					
K-45S	Soil sampling					
K-46S	Soil sampling					
K-47	Nil					
K-48	121.2-136.5	15.3	1.31	—	—	—
	289.5-295.5	6.0	0.07	9.80	—	—
	383.7-390.6	6.9	3.48	0.18	—	1.28
K-49	706.9-711.6	4.7	0.02	4.17	—	0.29
	861.0-869.1	8.1	1.40	0.97	—	—
	959.5-983.2	23.7	1.50	—	—	0.58
	1035.6-1052.3	16.7	2.22	1.65	—	0.74
K-50	Nil — Exploratory					
K-51						
K-52	Nil — Exploratory					
K-53	Nil					
K-54	267.2-283.5	16.3	0.20	4.50	—	0.18
or 240.3-283.5		43.2	0.09	2.70	—	—
	354.8-357.2	2.4	4.04	13.35	—	5.32
or 350.0-360.0		10.0	1.12	3.40	—	1.43
	684.5-706.4	21.9	0.05	3.06	—	0.15
	750 -783.5	33.5	N.A.	3.05	—	0.50
	956.2-960.0	3.8	0.02	7.20	—	0.54
	1028.8-1051	22.2	0.32	1.60	—	0.25
	1062.7-1068	5.3	0.94	2.36	—	N.A.
K-55	229.3-238.2	8.9	0.46	—	Exploratory	
K-56	Nil					
K-57	313.7-324.0	10.3	0.37	6.84	—	1.54
	337.5-341.0	3.5	0.58	1.35	—	2.92

ASSAY AVERAGES (Continued)

Hole No.	Footage	Ft.	Cu	Zn	Pb	Ag
K-58	33.7- 71.0	37.3				
	78.0-123.0	45.0				
	882.3-927.5	45.2		Low		
	927.5-937.5	10.0	2.24	0.30	—	1.55
	965.0-974.0	9.0	1.44	0.35	—	0.74
K-59	390.9-417.5	26.6			Exploratory	
	457.0-515.0	58.0			Exploratory	
K-60	62 - 75	13.0				
	138.2-141.6	3.4	2.90	—	—	0.70
	524.2-555.0	30.8	—	Low		
	786.0-838.5	52.5	0.20	2.65	—	N.A.
	838.5-869.8	31.3		Low		
	869.8-880.4	10.6	5.19	0.47	—	1.80
	880.4-904.6	24.2	Low			
K-61	1055 -1075	20.0	—	Low	—	—
	1075 -1090	15.0	0.16	6.42	—	N.A.
K-62	Nil					
K-63	Nil					
K-64	Nil				Exploratory	
K-65	Nil				Exploratory	
K-66	Nil				Shaft hole	

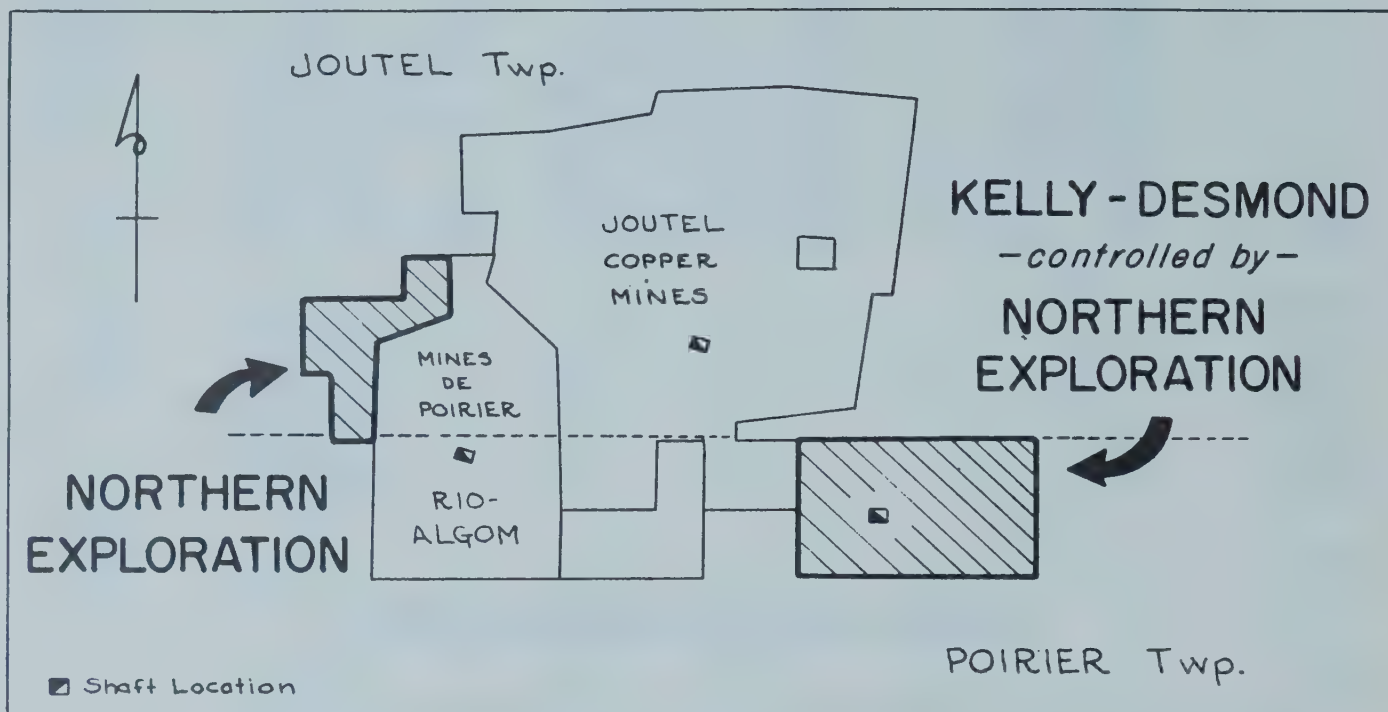
CERTIFICATE OF QUALIFICATION

I, H. J. Bergmann, of the City of Montreal, in the Province of Quebec, hereby certify:

1. That I am a Consulting Mining Engineer and reside at 3518 Vendome Ave., Montreal, Que.
2. That I am a registered Professional Engineer of the Provinces of Ontario and Quebec.
3. That I am a graduate of the University of Alberta and hold a Bachelor of Science degree in Mining Engineering.
4. That I have been practising my profession as a Mining Engineer since 1938 and during the past eleven years as a Consulting Engineer.
5. That I have no interest, either direct or indirect, in the property or securities of Northern Exploration Ltd. other than 2,000 shares of the Company's stock which I have purchased on the market.
6. That the accompanying report is based on personal supervision of the exploration program on the property in my capacity as Consulting Engineer.

Dated at Montreal this 23rd
day of September, 1964.

"H. J. Bergmann", P.Eng.



MAP of PROPERTIES
- of -
NORTHERN EXPLORATION
LIMITED

JOUTEL and POIRIER TWPS., QUEBEC

H. Bergman Sept. '64.

THE TORONTO STOCK EXCHANGE

FILING STATEMENT NO. 1261.
FILED, JANUARY 7th. 1965.

file 98

NORTHERN EXPLORATION LIMITED

Full corporate name of Company
Incorporated under the Quebec Mining Companies' Act,
by Letters Patent dated May 25, 1957.
Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953
(Ontario) by Letters Patent dated May 1st, 1957).

FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things,
an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	This Filing Statement reflects the following material change: Subject to the approval of shareholders at a Special General Meeting to be convened, the Company has entered into an agreement with Kelly-Desmond Mining Corporation Limited (hereinafter referred to as "Kelly-Desmond") to underwrite a proposed rights issue of Kelly-Desmond, which rights offering will be made on the following basis: Subject to approval of shareholders of Kelly-Desmond at a Special General meeting to be convened, Kelly-Desmond proposes to issue to its shareholders the right to subscribe for additional treasury shares of Kelly-Desmond at a price of 50¢ per share, on the basis of one additional share for each three shares held. The record date and expiry date of the said rights offering will be announced by Kelly-Desmond after the said Special General meeting. All shares of Kelly-Desmond not subscribed for by Kelly-Desmond shareholders by the expiry date will be purchased by Northern Exploration at a price of 50¢ per share. A maximum of 966,667 shares will be issued by Kelly-Desmond pursuant to the above rights offering for a total consideration of \$483,333.50.		
2. Head office address and any other office address.	Head office, 62 Main Street West, Magog, Que.		
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	President and Director	Georges Girard, 260 Merry South, Magog, Que.	Insurance Broker
	Vice-President and Director	Joseph Wilfrid Lafond, 9815 Grande Allee, Montreal, Que.	Executive
	Secretary-Treasurer and Director	Dr. Alan Scott, 551 Merry South, Magog, Que.	Physician
	Director	Julien Levasseur, 333 Sommerville St., Montreal, Que.	Executive
	Director	Malcolm Wallace, Ferrant Avenue, Newport, Vermont.	Amusement Agency Operator
	Director	J.A. Roland Faucher, 9181 Clarke St., Montreal, Que.	Consulting Engineer.
	Director	Peter Price, 31 Rosedale Road, Toronto, Ont.	Chief Geologist Noranda Mines Ltd., Toronto.
	Promoter -	Georges Girard, Inc., Magog, Que.	
4. Share capitalization showing authorized and issued and outstanding capital.	Authorized capital 5,000,000 common shares with a par value of \$1.00 each; issued capital 2,886,030 common shares with a par value of \$1.00 each.		
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	There are no bonds or debentures, notes, mortgages, charges, liens or hypothecations outstanding or proposed to be issued.		
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	There are no Treasury shares or other securities now the subject of any underwriting sale or option agreement save and except that by virtue of a resolution of the directors of the company dated March 14th, 1964, the directors, subject to ratification of shareholders of the company, which ratification was secured, have granted to Georges Girard, President, the sole and exclusive option for a period of one year from that date to purchase 25,000 free shares of the capital stock of the company at the price of \$1.50 per share.		

7. Names, and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	N/A																																	
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	No payments in cash or securities of the company have been made or will be made to a Promoter, or finder in connection with any proposed underwriting or property acquisition.																																	
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	For details of the company's future development plans, refer to the report of H.J. Bergmann, P.Eng., dated September 23rd 1964 filed herewith. Kelly-Desmond Mining Corporation Limited and the Company have a 40% and 60% interest respectively in certain mining claims in the Poirier Township, Quebec, more particularly referred to in the said report of H.J. Bergmann. The Company is advised by Kelly-Desmond Mining Corporation Limited that the funds derived from the proceeds of the rights offering referred to in item 1. hereof will be applied to pay Kelly-Desmond's share of the costs of development of the Poirier Township claims, which share will amount to 40% of the total costs of the programme disclosed in the said report of H.J. Bergmann.																																	
10. Brief statement of company's chief development work during past year.	For a statement of the company's development work during the past year, refer to the report of H.J. Bergmann, P.Eng., dated September 23rd 1964, filed herewith.																																	
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	The company does not propose to purchase any property or other asset at present.																																	
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	N/A																																	
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	There are 810,000 shares held in escrow with Eastern and Chartered Trust Company, 132 St. James St. W., Montreal, subject to release only on the written consent of the Board of Directors and the Quebec Securities Commission, Canadian Stock Exchange and the Toronto Stock Exchange, and subject to transfer, hypothecation and/or alienation within the escrow on the written consent of the aforesaid parties.																																	
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	Holders of more than 5% interest in escrowed shares are as follows: <table><tr><td>J. Wilfrid Lafond,</td><td>9815 Grande Allee,</td><td>222,666 shares</td></tr><tr><td></td><td>Montreal, Que.</td><td></td></tr><tr><td>Georges E. Girard,</td><td>54 Main St. West,</td><td>540,834 shares</td></tr><tr><td></td><td>Magog, Que.</td><td></td></tr><tr><td>Total</td><td></td><td>763,500 shares</td></tr></table>	J. Wilfrid Lafond,	9815 Grande Allee,	222,666 shares		Montreal, Que.		Georges E. Girard,	54 Main St. West,	540,834 shares		Magog, Que.		Total		763,500 shares																		
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	Montreal, Que.																																	
Georges E. Girard,	54 Main St. West,	540,834 shares																																
	Magog, Que.																																	
Total		763,500 shares																																
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	Names, addresses and shareholdings of the five largest share holders are as follows: <table><tr><td>Doherty, Roadhouse & McCuaig Bros.</td><td>267,950</td><td></td></tr><tr><td>276 St. James St. West, Montreal, Que.</td><td></td><td></td></tr><tr><td>355 Bay Street, Toronto, Ontario.</td><td>4,900</td><td>272,850 shares</td></tr><tr><td>L.J. Forget & Co. Ltd,</td><td></td><td>346,800 shares</td></tr><tr><td>620 St. James Street West, Montreal, Que.</td><td></td><td></td></tr><tr><td>Georges Girard (of which 540,834 shares 54 Main Street, are escrowed)</td><td></td><td>572,335 shares</td></tr><tr><td>Magog, Que.</td><td></td><td></td></tr><tr><td>Kippen & Company, Inc.,</td><td></td><td>335,850 shares</td></tr><tr><td>1155 Dorchester Blvd, West, Montreal, Que.</td><td></td><td></td></tr><tr><td>J. Wilfrid Lafond, (all of which are escrowed)</td><td>226,672 shares</td><td></td></tr><tr><td>9815 Grande Allee, Montreal, Que.</td><td></td><td></td></tr></table> The shares registered in the name of Kippen & Company are beneficially owned by Georges Girard, the President of this Company. The beneficial owners of the shares registered in the name of Doherty, Roadhouse & McCuaig Bros., and L.J. Forget & Co. Limited are not known.	Doherty, Roadhouse & McCuaig Bros.	267,950		276 St. James St. West, Montreal, Que.			355 Bay Street, Toronto, Ontario.	4,900	272,850 shares	L.J. Forget & Co. Ltd,		346,800 shares	620 St. James Street West, Montreal, Que.			Georges Girard (of which 540,834 shares 54 Main Street, are escrowed)		572,335 shares	Magog, Que.			Kippen & Company, Inc.,		335,850 shares	1155 Dorchester Blvd, West, Montreal, Que.			J. Wilfrid Lafond, (all of which are escrowed)	226,672 shares		9815 Grande Allee, Montreal, Que.		
Doherty, Roadhouse & McCuaig Bros.	267,950																																	
276 St. James St. West, Montreal, Que.																																		
355 Bay Street, Toronto, Ontario.	4,900	272,850 shares																																
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Kippen & Company, Inc.,		335,850 shares																																
1155 Dorchester Blvd, West, Montreal, Que.																																		
J. Wilfrid Lafond, (all of which are escrowed)	226,672 shares																																	
9815 Grande Allee, Montreal, Que.																																		

FINANCIAL STATEMENTS

NORTHERN EXPLORATION LTD.

(No Personal Liability)

BALANCE SHEET

AS AT SEPTEMBER 30, 1964

ASSETS

CURRENT ASSETS

Cash in bank	724,812.00	
Accounts receivable-Kelly-Desmond	248,078.00	
Guaranty deposit-Drilling contractors	4,000.00	
Petty cash	<u>700.00</u>	977,590.00

INVESTMENTS-AT COST

50,000 shares of American Chibougamau Mines Limited (No Personal Liability)	11,000.00	
677,500 shares of Kelly-Desmond Mining Corporation Limited (of which 347,500 shares are in escrow)	50,000.00	
170,000 shares of Gaspesie Mining Company Limited (of which 20,000 shares are in escrow)	<u>25,250.00</u>	86,250.00

MINING CLAIMS ACQUIRED FOR CASH

(held under miners' certificates, miners' and development licences)		13,770.67
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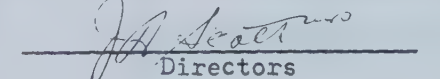
FIXED ASSETS - AT COST

Equipment		380.48
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DEFERRED EXPENSES

Development and exploration expenses (Schedule I)	444,769.10	
Administration expenses (Schedule II)	33,622.10	
Organisation expenses	<u>270.27</u>	478,661.47
		<u>1,556,652.62</u>

SIGNED ON BEHALF OF THE BOARD



 Directors

LIABILITIES

CURRENT LIABILITIES

Accounts payable	43,174.72	
Income tax deducted at source	<u>285.10</u>	43,459.82

SHAREHOLDERS' EQUITY

CAPITAL-STOCK

Authorized:

5,000,000 shares of a par value of \$1.00 each	<u>5,000,000.00</u>	
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Issued for cash:

1,986,030 shares (of which 400,000 shares have been issued since Sept. 30, 1963)	1,986,030.00	
Less: Discount allowed	<u>742,400.00</u>	1,243,630.00

Issued for acquisition of mining claims which have since been abandoned:

900,000 shares (810,000 shares held in escrow)	900,000.00	
Less: Discount allowed	<u>855,000.00</u>	45,000.00

Premium on treasury stock sold	<u>270,000.00</u>	
	1,558,630.00	

Deduct: Deficit as per statement	<u>45,437.20</u>	1,513,192.80
		<u>1,556,652.62</u>

NORTHERN EXPLORATION LTD.

DEVELOPMENT AND EXPLORATION EXPENSES

FROM OCTOBER 1, 1963 TO SEPTEMBER 30, 1964

	Balance October 1, 1963	Additions to September 30, 1964	Total September 30, 1964	
Engineer's fees and expenses	184.38		184.38	
Geologist's fees	2,000.00		2,000.00	
Maps and plans	31.21		31.21	
Mining licences, taxes	368.50	98.05	466.55	
Miscellaneous	200.00		200.00	
Surveying	2,210.00		2,210.00	
Transportation-Air	857.80		857.80	
Travelling expenses	3,972.15		3,972.15	
Discovery Lake expenses	3,042.00	(3,042.00)	-0-	(1)
Lesseps Township- expenses	-	1,208.73	1,208.73	
Jamieson Township- expenses	-	1,182.00	1,182.00	
Poirier Township - expenses	19,920.56	412,535.72	432,456.28	(2)
	<u>32,786.60</u>	<u>411,982.50</u>	<u>444,769.10</u>	

(1) Discovery Lake claims were abandoned since October 1, 1963 and charged to deficit together with expenses thereon.

(2) Poirier Township property-as per agreement with Kelly-Desmond Mining Corporation Limited

Total expenses to date	714,093.80
Less: 40% of \$704,093.80	<u>281,637.52</u>
	<u>432,456.28</u>

ADMINISTRATION EXPENSES

FROM OCTOBER 1, 1963 TO SEPTEMBER 30, 1964

	Balance October 1, 1963	Additions to Septem- ber 30, 1964	Total September 30, 1964
Shareholders' information	-	498.07	498.07
Accounting and audit fees	2,675.00	1,360.00	4,035.00
Auto expenses and travelling	1,593.10	3,677.84	5,270.94
Bank charges	70.16	.30	70.46
Gifts and donations	150.00		150.00
Insurance	50.00	10.00	60.00
Legal fees	8,449.43	307.50	8,756.93
Office expenses	434.30	231.48	665.78
Office salaries	3,200.00		3,200.00
Prospectus	1,536.21	180.00	1,716.21
Publicity	765.60	1,315.30	2,080.90
Rent	1,070.00	540.00	1,610.00
Stationery and printing	425.75	1,004.30	1,430.05
Taxes	430.82	60.00	490.82
Telephone and telegrams	1,426.67	258.93	1,685.60
Transfer agent and registrar's fees	2,438.73	985.31	3,424.04
Management salaries	14,100.00		14,100.00
Listing of stock	2,000.00	3,007.48	5,007.48
	40,815.77	13,436.51	54,252.28
Less: interest income	<u>867.65</u>	<u>19,762.53</u>	<u>20,630.18</u>
	<u>39,948.12</u>	<u>(6,326.02)</u>	<u>33,622.10</u>

STATEMENT OF DEFICIT
FROM INCEPTION (JUNE 20, 1957) TO SEPTEMBER 30, 1964

Cost of mining claims abandoned	45,000.00
Exploration expenses thereon	5,301.59
Payments on option to acquire mining claims-option not exercised	<u>3,200.00</u>
	53,501.59
Less: Contributed surplus	<u>14,834.50</u>
<u>BALANCE, SEPTEMBER 30, 1963</u>	38,667.09
<u>ADDITIONS DURING YEAR</u>	
Cost of mining claims in Discovery Lake and Laussedat Twps. abandoned	3,728.11
Exploration expenses thereon	<u>3,042.00</u> <u>6,770.11</u>
<u>BALANCE, SEPTEMBER 30, 1964</u>	<u>45,437.20</u>

NOTES TO FINANCIAL STATEMENTS

AS AT SEPTEMBER 30, 1964

Note 1 - By agreement dated February 25, 1963, Kelly-Desmond Mining Corporation Limited granted to Northern Exploration Ltd. for a period of one year, an option to acquire a 60% interest in its ten mining claims covered by lots 29 to 33 inclusive, Range X, and lots 24 to 28 inclusive, Range X, Poirier Township, Province of Quebec, held under Licence Nos. C-167733 to C-167737 inclusive, claims 1 and 2 each, provided

That to acquire the said 60% interest, Northern Exploration Ltd. shall be obligated to spend on mining work and exploration on the said mining claims the sum of Ten Thousand (\$10,000.00) dollars, after which all expenses shall be paid according to the interest of each company in the property. On July 10, 1963 Northern Exploration Ltd. having complied with the above mentioned conditions of the agreement decided to exercise its option on the said property and had recorded its 60% interest therein.

Note 2 - Mr. Georges Girard has been granted an option on 25,000 shares of the Company at \$1.50 per share, to be taken down and paid for within a period of one year from the 14th day of March 1964.

SOURCE AND APPLICATION OF FUNDS

FROM OCTOBER 1, TO DECEMBER 31, 1964

Balance in bank as at September 30, 1964 724,812.00

SOURCE OF FUNDS

Account receivable-Kelly-Desmond Mining Corp. Ltd.	50,000.00	
Bank interest	<u>4,637.52</u>	<u>54,637.52</u>
		779,449.52

APPLICATION OF FUNDS

Rent	200.00	
Office expenses	43.61	
Telephone	70.58	
Transfer agents' fees	225.00	
Accounting and audit	1,109.25	
Listing of stock	750.00	
Travelling expenses	233.67	
Legal fees	3,315.55	
Government taxes	45.00	
Outside prospection	300.00	
Printing	1,084.21	
Development - Poirier property	142,692.03	
Development - Jamieson property	<u>6,481.59</u>	<u>156,550.49</u>

BALANCE IN BANK AS AT DECEMBER 31, 1964 622,899.03

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KELLY-DESMOND MINING CORPORATION LIMITED
(INCORPORATED UNDER THE LAWS OF THE PROVINCE OF ONTARIO)

BALANCE SHEET
AS AT OCTOBER 31, 1964

ASSETS

<u>CURRENT ASSETS</u>		
Cash in bank		64,122.75
<u>FIXED ASSETS, AT COST</u>		
Mining claims acquired for cash (held under development and miners' licences)	11,025.90	
Office equipment	<u>125.45</u>	11,151.35
<u>DEFERRED EXPENDITURES</u>		
Exploration and development expenditures	320,524.01	
Administrative expenditures	<u>28,210.09</u>	348,734.10
<u>ORGANIZATION EXPENSES</u>		
		<u>3,000.00</u>
		<u>427,008.20</u>

LIABILITIES

<u>CURRENT LIABILITIES</u>		
Accounts payable to Northern Exploration Ltd.		198,078.00
<u>CAPITAL AND DEFICIT</u>		
<u>CAPITAL STOCK (Note 3)</u>		
Authorized:		
4,000,000 shares, par value \$1.00 each		
Issued and fully paid:		
2,100,003 shares issued for cash	2,100,003.00	
Less: discount	<u>1,717,500.00</u>	382,503.00
800,000 shares issued for mining claims (460,000 shares held in escrow)	800,000.00	
Less: discount	<u>720,000.00</u>	<u>80,000.00</u>
<u>2,900,003 shares</u>		462,503.00
<u>DEFICIT, per statement</u>	<u>233,572.80</u>	<u>228,930.20</u>
		<u>427,008.20</u>

The accompanying notes are an integral
part of the financial statements.

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

Director

J. H. Leach

Director

STATEMENT OF DEFERRED EXPLORATION AND DEVELOPMENT EXPENDITURES

FROM MAY 1, TO OCTOBER 31, 1964

	Balance May 1, 1964	Additions to October 31, 1964	Balance October 31, 1964
<u>POIRIER TOWNSHIP, QUEBEC:</u>			
Engineers' reports	550.00		550.00
Geophysical surveys	9,324.50		9,324.50
Government fees, licences and taxes	1,032.50	282.50	1,315.00
Travel and transportation	268.76		268.76
Miscellaneous	65.10		65.10
General surface exploration	1,902.69		1,902.69
Share of expenditures re: agreement with Northern Exploration (Note I)	<u>127,337.20</u>	<u>154,300.32</u>	<u>281,637.52</u>
	<u>140,480.75</u>	<u>154,582.82</u>	<u>295,063.57</u>
<u>FABER TOWNSHIP, QUEBEC:</u>			
Geophysical surveys	9,300.00		9,300.00
Engineers' fees and expenses	1,334.34		1,334.34
Government fees, licences and taxes	1,040.00	330.00	1,370.00
Assays	212.00		212.00
Diamond drilling	13,908.58		13,908.58
Travel and transportation	374.40		374.40
Miscellaneous	<u>529.90</u>		<u>529.90</u>
	<u>26,699.22</u>	<u>330.00</u>	<u>27,029.22</u>
Less: write-offs to deficit on claims abandoned	<u>1,568.78</u>	-	<u>1,568.78</u>
	<u>25,130.44</u>	<u>330.00</u>	<u>25,460.44</u>
Total exploration and development expenditures incurred on claims in good standing			<u>320,524.01</u>
<u>NORMANVILLE TOWNSHIP, QUEBEC:</u>			
Diamond drilling	32,635.39		32,635.39
Engineers' fees and expenses	4,887.50		4,887.50
Geophysical surveys	13,000.00		13,000.00
Travel and transportation	8,593.25		8,593.25
Camp expenses	1,803.23		1,803.23
Linecutting	2,400.00		2,400.00
Consultants' fees	3,000.00		3,000.00
General surface exploration	1,100.00		1,100.00
Government fees, licences and taxes	4,691.25		4,691.25
Miscellaneous	<u>1,120.19</u>		<u>1,120.19</u>
	<u>73,230.81</u>		<u>73,230.81</u>
Less: write-offs to deficit on claims abandoned	<u>10,243.82</u>	<u>62,986.99</u>	<u>73,230.81</u>
	<u>62,986.99</u>	<u>62,986.99</u>	<u>-0-</u>
<u>TOTAL DEFERRED EXPLORATION AND DEVELOPMENT EXPENDITURES</u>	<u>228,598.18</u>	<u>91,925.83</u>	<u>320,524.01</u>

STATEMENT OF DEFERRED ADMINISTRATIVE EXPENDITURES

FROM MAY 1, TO OCTOBER 31, 1964

	Balance May 1, 1964	Additions to October 31, 1964	Balance October 31, 1964
Accounting and secretarial fees	3,910.00		3,910.00
Attorneys' fees	600.00		600.00
Legal and audit fees	8,172.47	680.00	8,852.47
Office rent	2,270.00	300.00	2,570.00
Shareholders' information and publicity	9,360.02		9,360.02
Government fees and taxes	1,339.18	80.00	1,419.18
Travelling expenses	2,697.67	336.45	3,034.12
Transfer agent's fees and expenses	3,013.74	351.98	3,365.72
Miscellaneous	1,285.76		1,285.76
Office expenses	69.66		69.66
Stationery and printing	211.51	132.12	343.63
Telephone	557.93	81.12	639.05
Listing of stock	2,075.34	1,600.00	3,675.34
Interest income	(5,505.01)	(304.52)	(5,809.53)
	30,058.27	3,257.15	33,315.42
Less: write-offs to deficit on claims abandoned	5,105.33	-	5,105.33
TOTAL DEFERRED ADMINISTRATIVE EXPENDITURES	24,952.94	3,257.15	28,210.09

STATEMENT OF DEFICIT

FROM INCEPTION (NOVEMBER 29, 1954) TO OCTOBER 31, 1964

Cost of mining claims abandoned	114,962.33
Exploration expenditures thereon	30,339.86
Administrative expenditures thereon	9,654.18
Payments on option to acquire claims, option not exercised	14,600.00
BALANCE, APRIL 30, 1964	169,556.39
ADDITIONS DURING PERIOD	
Cost of mining claims in Normanville Township abandoned	1,029.42
Exploration expenditures thereon	62,936.99
BALANCE, OCTOBER 31, 1964	233,522.80

NOTES TO FINANCIAL STATEMENTS

AS AT OCTOBER 31, 1964

Note 1 - By agreement dated February 25, 1963, Kelly-Desmond Mining Corporation Limited granted to Northern Exploration Ltd. for a period of one year, an option to acquire a 60% interest in its ten mining claims covered by lots 29 to 33 inclusive, Range X, and lots 24 to 28 inclusive, Range X, Poirier Township, Province of Quebec, held under licence Nos. G-167733 to G-167738 inclusive, claims 1 and 2 each, provided

That to acquire the said 60% interest, Northern Exploration Ltd. shall be obligated to spend on mining work and exploration on the said mining claims the sum of Ten Thousand (\$10,000.00) dollars, after which all expenses shall be paid according to the interest of each company in the property. On July 10, 1963 Northern Exploration Ltd. having complied with the above mentioned conditions of the agreement decided to exercise its option on the said property and had recorded its 60% interest therein.

Note 2 - The option granted to L.J. Forget & Co. Ltd. on March 26, 1964 to purchase a further 200,000 shares of the capital stock of the company was not exercised.

Note 3 - Since the date of the last financial statements (April 30, 1964) 200,000 shares of the Company's capital stock were issued for \$100,000.00.

ENGINEER'S REPORT

Note:-The following are excerpts from a report by H. J. Bergmann, P. Eng., dated, September 23rd, 1964, on mining claims located in Joutel and Poirier Townships, Quebec. A complete copy of this report is on file with the Toronto Stock Exchange.

SUMMARY

The property of Kelly Desmond Mining Corporation in Poirier Township, Quebec, is controlled and managed by Northern Exploration Ltd. The property is situated approximately 34 miles southwest of the Mattagami ore deposits and in close proximity to the properties of Rio Algom Mines and Joutel Copper Mines, both of which are proceeding with underground development.

An all weather road to the property is nearing completion and facilities necessary for a mining operation will be available.

Diamond drilling on the property has outlined several sulphide bodies containing values in copper, zinc and silver within an area 1,000 feet long by 500 feet. The deepest intersection is at a vertical depth of 800 feet but depth exploration has been limited. The sulphide bodies are very similar structurally and mineralogically to the ore deposits at the nearby property of Rio Algom Mines where plans are underway to construct a mill with a minimum capacity of 1,500 tons per day.

The drilling program on the property of Northern Exploration Ltd. has indicated a tonnage of 816,330 tons with an average grade of 0.72% copper, 7.75% zinc and 1.10 ozs. silver per ton. In addition, there are tonnages of lower grade material and several indications of other ore zones.

Discussions have been held with Rio Algom officials and an arrangement can readily be made to custom mill the ore at their mill if there is not sufficient ore outlined to justify the erection of the Company's own concentrator.

Shaft sinking has started on the Northern property and a program of underground development is planned to develop and corroborate the drill indicated ore. A program of underground drilling is also planned to explore for additional ore. The estimated cost for this program is \$1,180,000. At the completion of this program a re-assessment of the ore picture would be made to determine if the Company should plan its own concentrator or proceed with an arrangement for custom milling.

On the basis of the present tonnage indicated, custom milling would be justified. It is estimated that an operating profit of \$4.05 per ton could be realized with the treatment of 800 tons per day. On the indicated ore of 816,330 tons, this would represent a total operating profit of \$3,306,136. The total estimated expenditures through to production on this basis would be \$1,500,000. Thus the project is feasible and there is the distinct possibility of considerably enlarging the ore reserves and the profit.

REPORT ON PROPERTIES OF NORTHERN EXPLORATION LTD. JOUTEL AND POIRIER TOWNSHIPS, QUE.

INTRODUCTION

Northern Exploration is the owner of a property in Joutel Township consisting of 236 acres and has the controlling interest (60%) in a property consisting of approximately 1,000 acres in Poirier Township.

The Joutel property has had limited exploration work but the results have not justified further expenditures. The property is presently dormant but has been kept in good standing. On the other hand, a large amount of exploration has been carried out on the Poirier property and the results to date have indicated sufficient ore to justify a program of underground development. Shaft sinking is presently underway on the property. The property is in close proximity to the Poirier Mine, a subsidiary of Rio Algom Mines and Joutel Copper Mines, both of which are proceeding with underground development to investigate copper-zinc ore bodies.

The following report describes the two properties of Northern Exploration Ltd. in this area but deals largely with the Poirier property. The scope of the report covers a description of the exploration, calculation of ore reserves, cost estimates and profit potential.

PROPERTIES AND LOCATION

The property in Joutel Township consists of seven contiguous claims situated in the southwest quadrant of Joutel Township, Abitibi East, Quebec. The claims are registered with the Department of Natural Resources as claims 1 to 5, certificate 184566 and claims 1 and 2, certificate 180795. They are presently held under development licenses 184566 and 180795.

The property in Poirier Township consists of 1,000 acres covering lots 24 to 33 inclusive in Range X, Poirier Township. The claims are registered as claims 1 and 2 on licenses 167733 to 167737 inclusive. The claims are presently held under development licenses 167733 to 167737 inclusive.

COST ESTIMATES

Cost estimates were prepared March 1, 1964, to cover the planned program of underground development embarked on at that time. These costs covered a 22-month period and included both capital and operating costs during that period. This period would cover all work up to the time when actual production plans would commence providing the underground program corroborates the drill indicated ore.

At the end of this period, a decision would be made as to whether to proceed with plans for construction of a concentrator or to enter into a contract for custom milling with Rio Algom Mines Ltd. This decision would be based on ore developments at the time and financial arrangements.

Since the cost estimates were made on March 1, most of the capital expenditures have been made, the shaft collar has been completed and shaft sinking has commenced. Listed below are the estimates for the 22-month period including equipment and buildings. Listed beside the estimates are the expenditures from March 1 to July 30.

PROFIT POTENTIAL

Since the tonnage indicated at this stage is limited, the profit potential must be based on these figures although it appears very likely that the figure will be increased by underground development. On this basis, we will assume that the ore will be milled on a custom basis. It might also be found advantageous to have the ore mined on a contract basis, thus eliminating any additional capital expenditures. Rio Algom officials have assured Northern Exploration that they would welcome such an arrangement.

In arriving at the profit potential certain assumptions must be made in reference to recoveries, smelter costs and mining methods. It would appear that shrinkage stope mining will be adaptable to the ore bodies which should allow fairly reasonable costs.

The costs are based on a minimum figure of 800 tons per day.

Based on a price of 13.50 cents per pound for zinc and 35 cents per pound for copper, the net smelter returns are estimated at 5 cents per lb. for zinc and 24 cents per lb. for copper. Thus the net value of the ore after milling losses, freight and treatment charges would be:

Zinc	\$ 7.75 per ton of ore
Copper	3.60 per ton of ore
Silver	1.30 per ton of ore
TOTAL:	\$12.65 per ton of ore

Operating costs are estimated as follows:

Mining	\$2.00 per ton
Milling and charges	2.60 per ton
Other operating and administrative charges	4.00 per ton
TOTAL OPERATING COSTS:	\$8.60 per ton
OPERATING PROFIT:	\$4.05 per ton

CONCLUSIONS AND RECOMMENDATIONS

The exploration program to date has outlined 816,330 tons of indicated ore with an average grade of 0.75% copper, 7.75% zinc and 1.10 ozs. silver. There are numerous indications that this tonnage will be increased by the underground development program now underway.

The deposit is strategically located about four miles distant from the property of Rio Algom Mines where plans are underway for construction of a concentrator with a minimum capacity of 1,500 tons per day. The Northern Exploration deposit is very similar structurally and mineralogically to the Rio deposit.

Arrangements can be made to custom mill the ore from Northern Exploration's property at the nearby Rio mill. Prior to construction of the Rio concentrator, the underground program at Northern should be sufficiently advanced to permit a new assessment of the ore potential. Unless the ore reserves are increased considerably, it is recommended that an equitable arrangement be made with Rio Algom Mines to treat the ore in their concentrator.

It is estimated that with the present indicated ore an operating profit of \$3,300,000 would be made. The total expenditure to production on this basis would be approximately \$1,500,000. Thus their would be an ample return on the investment with good chances of increasing the ore reserves and the total profit.

Respectfully submitted,

"H. J. Bergmann", P.Eng.

Montreal, Que.
Sept. 23, 1964.

CERTIFICATE OF QUALIFICATION

I, H. J. Bergmann, of the City of Montreal, in the Province of Quebec, hereby certify:

1. That I am a Consulting Mining Engineer and reside at 3518 Vendome Ave., Montreal, Que.
2. That I am a registered Professional Engineer of the Provinces of Ontario and Quebec.
3. That I am a graduate of the University of Alberta and hold a Bachelor of Science degree in Mining Engineering.
4. That I have been practising my profession as a Mining Engineer since 1938 and during the past eleven years as a Consulting Engineer.
5. That I have no interest, either direct or indirect, in the property or securities of Northern Exploration Ltd. other than 2,000 shares of the Company's stock which I have purchased on the market.
6. That the accompanying report is based on personal supervision of the exploration program on the property in my capacity as Consulting Engineer.

Dated at Montreal this 23rd
day of September, 1964.

"H. J. Bergmann", P.Eng.

16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	The present officers and directors of the company whose names and addresses are listed in Item 3 hereof, may be in a position to materially affect the control of the company by reason of shares owned beneficially by them and by the solicitation of proxies. The Promoter of the Company is Georges Girard, Inc., Marpo, Que. The only person having more than 5% beneficial interest in Georges Girard, Inc., is Georges Girard, the President of Northern Exploration Limited.														
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	<table><tr><th></th><th>Cost</th><th>Market value Dec. 31/64</th></tr><tr><td>50,000 shares American Chibougamau Mines Limited</td><td>\$ 11,000.</td><td>15¢</td></tr><tr><td>677,500 shares Kelly-Desmond Mining Corporation (of which 347,500 shares are escrowed)</td><td>50,000.</td><td>57¢</td></tr><tr><td>170,000 shares Gaspesi Mining Company Limited (of which 20,000 shares are escrowed)</td><td>25,250</td><td>25¢</td></tr></table>				Cost	Market value Dec. 31/64	50,000 shares American Chibougamau Mines Limited	\$ 11,000.	15¢	677,500 shares Kelly-Desmond Mining Corporation (of which 347,500 shares are escrowed)	50,000.	57¢	170,000 shares Gaspesi Mining Company Limited (of which 20,000 shares are escrowed)	25,250	25¢
	Cost	Market value Dec. 31/64													
50,000 shares American Chibougamau Mines Limited	\$ 11,000.	15¢													
677,500 shares Kelly-Desmond Mining Corporation (of which 347,500 shares are escrowed)	50,000.	57¢													
170,000 shares Gaspesi Mining Company Limited (of which 20,000 shares are escrowed)	25,250	25¢													
18. Brief statement of any lawsuits pending or in process against company or its properties.	There are no law suits pending or in process against the company or its properties.														
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	There are no material contracts entered into by the Company which are still in effect and not disclosed in the foregoing.														
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	There are no other material facts. The shares of the Company are not in the course of primary distribution to the public. All shares of Kelly-Desmond Mining Corporation Limited subscribed for and underwritten under the terms of the foregoing rights offering by Kelly-Desmond, and shares of Kelly-Desmond presently held, will be held for investment purposes only.														

DATED January 6th, 1965.

CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"G. Girard" [Signature]

CORPORATE
SEAL

"J. A. Scott" [Signature]

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

TORONTO STOCK EXCHANGE

FILING STATEMENT NO. 1499.
FILED, OCTOBER 6th, 1966.

NORTHERN EXPLORATION LIMITED (No Personal Liability)

Full corporate name of Company

Incorporated under the Quebec Mining Companies Act by Letters Patent
Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953 dated May 25, 1957
(Ontario) by Letters Patent dated May 1st, 1957).

FILING STATEMENT Reference is made to previous
Filing Statement No. 1261.

(To be filed with respect to any material change in a company's affairs, including among other things,
an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	New underwriting and option agreement as set forth in paragraph 6 of this statement.
2. Head office address and any other office address.	62 Main Street West, Magog, Que.
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	President and Director: Georges Girard, Insurance Broker, 260 Merry S., Magog, Que. Vice-Pres. and Director: J. Wilfrid Lafond, Executive, 9815 Grande Allee, Montreal, Que. Secretary-Treasurer: Claude Noel, Comptroller 170 Stanley St., Magog, Que. Director: Dr. Alan Scott, Physician, 551 Merry S. Magog, Que. Director: William E. Stearns, Pres. Manchester Nat'l Bank 151 Shaw Street, Manchester, N.H. Director: J.A.R. Faucher, Consulting Engineer, 9181 Clarke St., Montreal, Que. Director: Rene Thomas, Executive, 19 Maplewood, Montreal, Que. Director: Peter Price, Geologist, 31 Rosedale Road, Toronto, Ontario Mr. Price replaced Mr. Levasseur as director in 1965. Mr. Stearns replaced Mr. DesMarais as director in March 1966.
4. Share capitalization showing authorized and issued and outstanding capital.	\$5,000,000 divided into 5,000,000 shares of a par value of \$1. each of which 2,911,030 shares issued and outstanding.
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	There are no bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	By Agreement dated September 8, 1966, subject to its acceptance by the Canadian and Toronto Stock Exchanges and the Quebec Securities Commission, Davidson & Company of Montreal acting on behalf of Geo. Girard Inc. have firmly underwritten 200,000 shares of the treasury stock for \$80,000.00 and were granted an option on 100,000 shares at 45¢ per share, payable within three months from qualification.
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	Davidson & Company are acting as agent for Geo. Girard, Inc., Magog, Que. The only person having a greater than 5% interest in Geo. Girard, Inc. is Georges Girard, Magog, Que.
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	Nil
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	The company proposes to carry out the recommendations of Bert Bourgoin, B.Sc., contained in his report of July 15, 1966, to explore by diamond drilling from the 1150 foot level, for more ore at depth, on the company's Poirier Township properties. It is estimated that the cost of drilling recommended will amount to \$56,000.00 the company being responsible for 60% of the cost and the balance being the responsibility of Kelly-Desmond Mining Corporation Limited.

FINANCIAL STATEMENTS

NORTHERN EXPLORATION LTD.

(NO PERSONAL LIABILITY)

BALANCE SHEET

AS AT JULY 31, 1966

ASSETS

CURRENT ASSETS

Cash in bank	15,769.01	
Accounts receivable-Kelly Desmond etc.	194,660.35	
Petty cash	1,548.00	
Advance to Hydro Quebec	<u>23,000.00</u>	234,977.36

INVESTMENTS - AT COST

50,000 shares of American Chibougamau Mines Limited	11,000.00	
1,174,410 shares of Kelly-Desmond Mining Corporation Limited (of which 347,500 shares are in escrow)	298,455.00	
170,000 shares of Gaspesie Mining Company Limited (of which 20,000 shares are in escrow)	<u>25,250.00</u>	334,705.00

MINING CLAIMS ACQUIRED FOR CASH -NOTE II (held under miners' licenses)

7,500.00

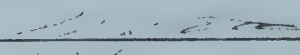
FIXED ASSETS AT COST

Equipment		413.13
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DEFERRED EXPENSES

Development and exploration expenses (Schedule I)	1,041,820.78	
Administration expenses (Schedule II)	27,895.83	
Organisation expenses	<u>270.27</u>	1,069,986.88
		<u>1,647,582.37</u>

SIGNED ON BEHALF OF THE BOARD


J. H. Leacock

NORTHERN EXPLORATION LTD.

(NO PERSONAL LIABILITY)

BALANCE SHEET

AS AT JULY 31, 1966.

LIABILITIES

CURRENT LIABILITIES

Account payable	51,146.18	
Outstanding cheques	<u>63,916.55</u>	115,062.73

SHAREHOLDERS' EQUITY

CAPITAL STOCK

Authorized:

5,000,000 shares of a par value of \$1.00 each 5,000,000.00

Issued for cash:

2,011,030 shares 2,011,030.00
Less: discount allowed 742,400.00 1,268,630.00

Issued for acquisition of mining claims which have since been abandoned:

900,000 shares (810,000 shares held in escrow) 900,000.00
Less: discount allowed 855,000.00 45,000.00

Premium on treasury stock sold 282,500.00

2,911,030 shares issued 1,596,130.00

Deduct: Deficit as per statement 63,610.36 1,532,519.64
1,647,582.37

NORTHERN EXPLORATION LTD.
NOTES TO FINANCIAL STATEMENTS
AS AT JULY 31, 1966

Note 1 - By Agreement dated February 25, 1963, Kelly-Desmond Mining Corporation Limited granted to Northern Exploration Ltd. for a period of one year, an option to acquire a 60% interest in its ten mining claims covered by lots 29 to 33 inclusive, Range X, and lots 24 to 28 inclusive, Range X, Poirier Township, Province of Quebec, held under license Nos. C-167733 to C-167737 inclusive, claims 1 and 2 each, provided

That to acquire the said 60% interest, Northern Exploration Ltd. shall be obligated to spend on mining work and exploration on the said mining claims the sum of Ten Thousand (\$10,000.00) dollars, after which all expenses shall be paid according to the interest of each company in the property. On July 10, 1963 Northern Exploration Ltd. having complied with the above mentioned conditions of the agreement decided to exercise its option on the said property and had recorded its 60% interest therein.

Note 2 - 50% interest in fifteen claims in Jamieson & Godfrey Townships, Ont. recorded as follows:
 7 claims in Jamieson Twp No. P62912 to P62918 incl.
 3 claims in Jamieson Twp No. P62889 to P62891 incl.
 5 claims in Godfrey Twp No. P62894 to P62898 incl.
 These claims were purchased jointly with Kelly-Desmond Mining Corporation Limited for the sum of \$15,000.00 of which this company paid.....\$7,500.00
\$7,500.00

NORTHERN EXPLORATION LTD.
DEVELOPMENT AND EXPLORATION EXPENSES
FROM OCTOBER 1, 1965 TO JULY 31, 1966

	Balance October 1, 1965	Additions to July 31, 1966	Balance July 31, 1966
Gratton Township	223.93	32.45	256.38
Jamieson Township	5,892.45	(2,946.23)	2,946.22 (1)
Poirier Township	777,885.66	260,732.52	1,038,618.18 (2)
	<u>784,002.04</u>	<u>257,818.74</u>	<u>1,041,820.78</u>

(1) 50% of these expenses were charged to Kelly-Desmond Mining Corp. Ltd.
See Note II

(2) Poirier Township property
See Note I

Total expenses to date	1,724,363.64
Less: 40%	
of 1,714,363.64	<u>685,745.46</u>
	<u>1,038,618.18</u>

NORTHERN EXPLORATION LTD.

ADMINISTRATION EXPENSES

FROM OCTOBER 1, 1965 TO JULY 31, 1966

	Balance October 1, 1965	Additions to July 31, 1966	Balance July 31, 1966
Head office expenses-general	7,570.51	767.06	8,337.57
Head office salaries	3,681.50	135.00	3,816.50
Auto expenses and travelling	7,406.21	1,020.01	8,426.22
Legal fees	14,084.73	-	14,084.73
Insurance	60.00	-	60.00
Taxes	525.82	70.00	595.82
Interest and bank charges	178.72	322.27	500.99
Shareholders' information	4,955.58	258.08	5,213.66
Accounting and audit fees	5,500.00	435.00	5,935.00
Gifts and donations	150.00	-	150.00
Management salaries	15,300.00	2,000.00	17,300.00
Listing, transfer agent and registrars' fees	12,202.77	751.77	12,954.54
Consultants' fees and expenses	-	390.05	390.05
	71,615.84	6,149.24	77,765.08
Less: Interest income	-46,266.51	-3,602.74	-49,869.25
	<u>25,349.33</u>	<u>2,546.50</u>	<u>27,895.83</u>

NORTHERN EXPLORATION LTD.

(NO PERSONAL LIABILITY)

STATEMENT OF DEFICIT

FROM INCEPTION (JUNE 20, 1957) TO JULY 31, 1966

Cost of mining claims abandoned	54,998.78
Exploration expenses thereon	20,246.08
Payments on option to acquire mining claims- Option not exercised	<u>3,200.00</u>
	78,444.86
Less: Contributed surplus	<u>14,834.50</u>
Balance, September 30, 1965	63,610.36
No changes to July 31, 1966	<u>-0-</u>
<u>BALANCE, JULY 31, 1966</u>	<u>63,610.36</u>

NORTHERN EXPLORATION LTD.

(NO PERSONAL LIABILITY)

SOURCE AND APPLICATION OF FUNDS

FROM OCTOBER 1, 1965 TO JULY 31, 1966

Balance in bank as at October 1, 1965 216,128.21

SOURCE OF FUNDS

Account receivable-Kelly-Desmond Mining Corp. Ltd.	175,000.00	
Bank interest	<u>3,602.74</u>	<u>178,602.74</u>
		394,730.95

APPLICATION OF FUNDS

Office rent	500.00	
Office expenses	424.98	
Transfer agents' fees	551.77	
Accounting and head office salaries	570.00	
Listing of stock	100.00	
Travelling expenses	1,020.01	
Government fees, taxes	70.00	
Outside exploration (Grattan)	32.45	
Interest and bank charges	322.27	
Shareholders' information, annual meeting, etc.	258.08	
Management salaries	2,000.00	
Petty cash	848.00	
Deposit - Hydro Quebec	23,000.00	
Development- Poirier property	<u>413,180.93</u>	<u>442,878.49</u>

BALANCE IN BANK AS AT JULY 31, 1966 o/d (48,147.54)

NORTHERN EXPLORATION LTD.

(NO PERSONAL LIABILITY)

SOURCE AND APPLICATION OF FUNDS

FROM AUGUST 1, TO SEPTEMBER 15, 1966

Balance in bank as at August 1, 1966 o/d 48,147.54

SOURCE OF FUNDS

Account receivable-Kelly-Desmond Mining Corporation Ltd.	75,000.00	
Sales of rights-Kelly-Desmond Mining Corporation Ltd.	<u>1,491.26</u>	<u>76,491.26</u>
		28,343.72

APPLICATION OF FUNDS

Office rent	100.00	
Toronto Stock Exchange	100.00	
Shareholders' information	25.00	
Management salaries and expenses	600.00	
Office expenses	44.19	
Development - Poirier Property	<u>59,065.29</u>	<u>59,934.48</u>

BALANCE IN BANK AS AT SEPTEMBER 15, 1966 o/d 31,590.76

NORTHERN EXPLORATION LIMITED

PROGRESS REPORT ON POIRIER TOWNSHIP PROPERTY, P.Q. B. Bourgoin — July 15, 1966

INTRODUCTION

The purpose of this report is to summarize the work carried out on the company's property in Poirier township, P.Q. for the period of October 1965 to July 1966. It is presented as a follow up to the report issued in October 1965.

DEVELOPMENT

During the period, the shaft was deepened from 650 to 1,276 feet. Stations were cut at the 800, 1000 and 1150' levels. The loading pocket, access raise and drift were cut at the 1150' level along with 105 feet of cross cutting and two water sumps. The spill pocket is at 1,210 feet.

Facilities for future deepening were provided at the 1000' level station and by cutting a dump station at the 1070' level. The shaft was enlarged from 3 compartments to 4 (6' x 6') compartments starting at the 1000' level station to the bottom at 1,276 feet.

GEOLOGY

The shaft is sunk in a meta-dabase dyke system believed to be post ore with fairly vertical contacts. The ore occurrences are roughly 150 feet south of the shaft. The long axis of the shaft is E-W and parallels the general structural and ore strike.

At the 450' level the favorable rhyolite rolls across the shaft and dips to the north at about 40°. This same rhyolite is host to ore from the 600' to the 800' level at a point roughly 150 feet north of the shaft.

At the 800' level the favorable rhyolite cuts across the shaft and station with contacts dipping south at about 20 to 40°. Our deepest drill hole had intersected this horizon at the 800' level. No deeper drilling was done in this area.

The same favorable rhyolite was cut again around 1,070' deep. The contact dips to the north and the rhyolite is not mineralized.

1150' Station. The station, cross cut and sumps expose 105 feet of geology north of the shaft. The rock is a cherty fragmental zone that is proving to be the host to most of the ore found to date. Mineralization starts at a point 24 feet north of the shaft and extends to the present face of the cross cut at a point 105 feet north of the shaft. The sulphides are pyrite and coarse dark red sphalerite in discontinuous stringers. This 80' wide section is not expected to be of ore grade material. The attitude of the stringers suggest the top of the ore zone. At one place in the cross cut the grade is visually estimated to be around 8 to 10% zinc over a width of 7 feet. This same broad mineralized zone is exposed in the shaft and spill pocket starting around 1,204 feet and continuing to the bottom at 1,276 feet.

Sampling of the sulphides was erratic and not always feasible. Some of the chip samples available from 1,204 to 1,220 feet gave the following results:

Width Feet	Zinc % ton	Copper % ton	Silver Oz./ton	Lead % ton
5.0'	1.85	0.02	0.14	
3.3'	9.30	0.08	1.10	
6.5'	7.25	0.10	1.16	
2.8'	19.80	TR	0.76	
8.7'	3.90	0.03	0.24	
5.5'	24.30	0.02	1.04	
Grab	14.05	0.05	3.67	2.33

From 1,240 to 1,276 feet there is a decrease in sulphides with less sphalerite and a higher proportion of pyrrhotite. Magnetite is also present. The general dip of the sulphides is 60-70° south. The footwall contact was not exposed.

METALLURGY

A bulk sample made up of weighted core rejects and assaying 0.76% Cu, 7.65% Zn, 0.87 oz. Ag was tested at the pilot plant of the Department of Natural Resources at Quebec City. Nine tests were performed and a recovery of 80-81% Zn giving a 53-54% concentrate was achieved. The copper recovery was in the order of 86% to 87% with 56.98% of the silver associated with the copper concentrate.

Three tests were performed by the research department of Rio Algom Mines Limited from a 350 lbs. sample taken from different ore exposures underground. The sample assayed 0.58% Cu, 7.70% Zn, 0.01 oz. Au and 1.06 oz. Ag. A recovery of 76.63% of the copper gave a concentrate of 20.88% Cu and 69.58% of the zinc was recovered giving a concentrate of 60.75% Zn. Furthermore 50% of the silver and 70% of the gold appear to be recoverable.

From these tests it appears that grinding and flotation should not present any problems.

SUMMARY AND CONCLUSION

Shaft deepening has confirmed the presence of ore at depth. The ore was exposed at the 1150' level in a cross cut north of the shaft and in the shaft from 1,200 feet to the bottom at 1,276 feet. The favorable rhyolitic zone is still strong at its lowest exposure and it is shown that drilling from the 600' level cannot explore it because of the location of the drill stations on the level.

Possibility of more ore at depth than what was previously indicated is confirmed and a diamond drilling program from the 1150' level should be initiated.

Respectfully submitted,

BERT BOURGOIN,
Geologist.

CERTIFICATE OF QUALIFICATIONS

1, Bert Bourgoïn, of Amos, P.Q. hereby certify:

- 1) That I am a mining geologist and reside at 140, 10th Street East, Amos, Que.
- 2) That I am a graduate of St-Francis Xavier University, Antigonish, Nova Scotia, and hold a Bachelor of Science degree.
- 3) That I have practice my profession of geologist since 1957.
- 4) That I own no interest or stock direct or indirect in Northern Exploration Limited.
- 5) That the accompanying report is based on my personal work as geologist and manager of the property for the last three years.

Dated at Poirier Township, P.Q., this 15th day of July 1966.

Bert Bourgoïn
Bert Bourgoïn, B.Sc.

10. Brief statement of company's chief development work during past year.	During the past year, the company deepened the shaft on its Poirier Township properties from 650 feet to 1276 feet. Reference is made to the report dated July 15, 1966, by Bert Bourgoïn, B.Sc.
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	not applicable
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	not applicable
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	810,000 shares are held in escrow with the Eastern & Chartered Trust Company, 625 Dorchester Boulevard West, Montreal, subject to release only upon the written consent of the Board of Directors, the Quebec Securities Commission and the Toronto and Canadian Stock Exchanges; and subject to transfer, hypothecation and/or alienation within the escrow on the written consent of the Quebec Securities Commission.
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	J. Wilfrid Lafond, 9815 Grande Allee, Montreal 226,666 Georges Girard, 54 Main St., Magog, Que. 540,834
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	Doherty, Roadhouse & McCuaig Bros., Montreal 450,572 Kippen & Company, Inc., Montreal 210,550 L.J. Forget & Co. Ltd., Montreal 193,800 Noranda Mines Limited, Toronto, Ontario 100,000 Georges Girard, Magog, Que. 721,335 J. W. Lafond, 9815 Grande Allee, Montreal 233,172 of which 540,834 are pooled of which 226,666 are pooled Noranda Mines Limited, Georges Girard and J.W. Lafond presumably hold these shares for their own account. The company is not aware of the persons who may be the beneficial owners of the shares held by Doherty, Roadhouse & McCuaig Bros., Kippen & Company and L.J. Forget & Co. Ltd.
16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	There are no person or persons who at the present time would be in a position to elect or cause to be elected a majority of the board of directors. The present board of directors, however, by solicitation of proxies would probably be in a position to do so.
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	50,000 American Chibougamau Mines \$ 11,000. \$5,000.00 1,174,410 Kelly-Desmond Mining Corp. 298,455 394,860.00 (of which 347,500 are escrowed) 170,000 Gaspésie Mining Co. Ltd. 25,250. (x)62,000. (x) asking price only
18. Brief statement of any lawsuits pending or in process against company or its properties.	There are no law suits pending or in process against the company or its properties.
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	There are no material contracts entered into by the company, which are still in effect and are not disclosed in the foregoing.
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	There are no other material facts. There are no shares of the company in the course of primary distribution to the public. The shares underwritten and optioned above referred to will, however, be in the course of primary distribution to the public.

CERTIFICATE OF THE COMPANY

DATED September 16, 1966.

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

NORTHERN EXPLORATION LIMITED (N.P.L.)
CORPORATE
SEAL

"G. Girard"

"A. Scott"

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

DAVIDSON & COMPANY

"D.B. Climo"

per: D.B. Climo